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AGENDA

TREASURE ISLAND DEVELOPMENT AUTHORITY

CITY AND COUNTY OF SAN FRANCISCO

Ferry Building, Suite 3100
San Francisco, California

WEDNESDAY, SEPTEMBER 16, 1998 1 PM
REGULAR MEETING

Willie L. Brown, Jr., Mayor

DIRECTORS

Dale Carlson, Chairperson
John Elberling, Vice-Chairperson
Gerald Green
Anne Halsted
James Morales
Donna Provenzano
Doug Wong

Annemarie Conroy
Executive Director
Mayor's Office Treasure Island Project

TREASURE ISLAND DEVELOPMENT AUTHORITY

Disability Access

The Treasure Island Development Authority will meet at the Port Commission office, located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART station is Embarcadero Station located at Market and Steuart Streets. The closest accessible MUNI Metro station is Embarcadero station located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building. Assistive listening devices are available for use in the Port Commission office.

For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact the Authority at (415) 274-0672 at least 72 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Administrative Code 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

Treasure Island Development Authority

Ferry Building, Suite 3100

September 16, 1998 – 1:00 PM

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Ongoing Business by Directors
6. Introduction of New Business by members
7. Report of the Treasure Island Project Director Annemarie Conroy
 - Report on Report on "Blues and Art on Treasure Island"
 - Report on access to Treasure Island including public use last month
 - Status of environmental clean up
 - Report on short term leases
 - Update on progress of development plan
 - EDC contract update
 - Update on master developer RFQ
 - Draft response to Civil Grand Jury Report
 - Report on TIHDI
 - Legislation/hearings affecting Treasure Island
8. Resolution approving selection of environmental consultant (*Action item*)
9. Resolution approving lease with Delancey Street for yacht club and youth center (*Action item*)
10. Resolution approving amendment to South Waterfront lease with Navy
11. Resolution approving acceptance of gifts for public access program
12. Public Comment

CLOSED SESSION

13. Pursuant to Sunshine Ordinance Section 67.11, the Treasure Island Development Authority may go into closed session to evaluate the Treasure Island Project Office staff's performance of its duties under the Agency Agreement by and between the City's Treasure Island Project Office and the Treasure Island Development Authority.

Pursuant to Sunshine Ordinance Section 67.11, the Treasure Island Development Task Force may go into Closed Session to discuss the following matters:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: Up to 660 housing units on Treasure Island and Yerba Buena Island

Persons negotiating: Annemarie Conroy and Michael Cohen

Under negotiation:

Price ____ Terms of payment ____ Both x

The Treasure Island Development Authority will reconvene in Public Session. Discussion and vote pursuant to Sunshine Ordinance Section 67.14 on whether to disclose actions taken or discussions held in Closed Session.

14. Adjourn

Treasure Island Development Authority

410 Palm Avenue, Building 1

Treasure Island

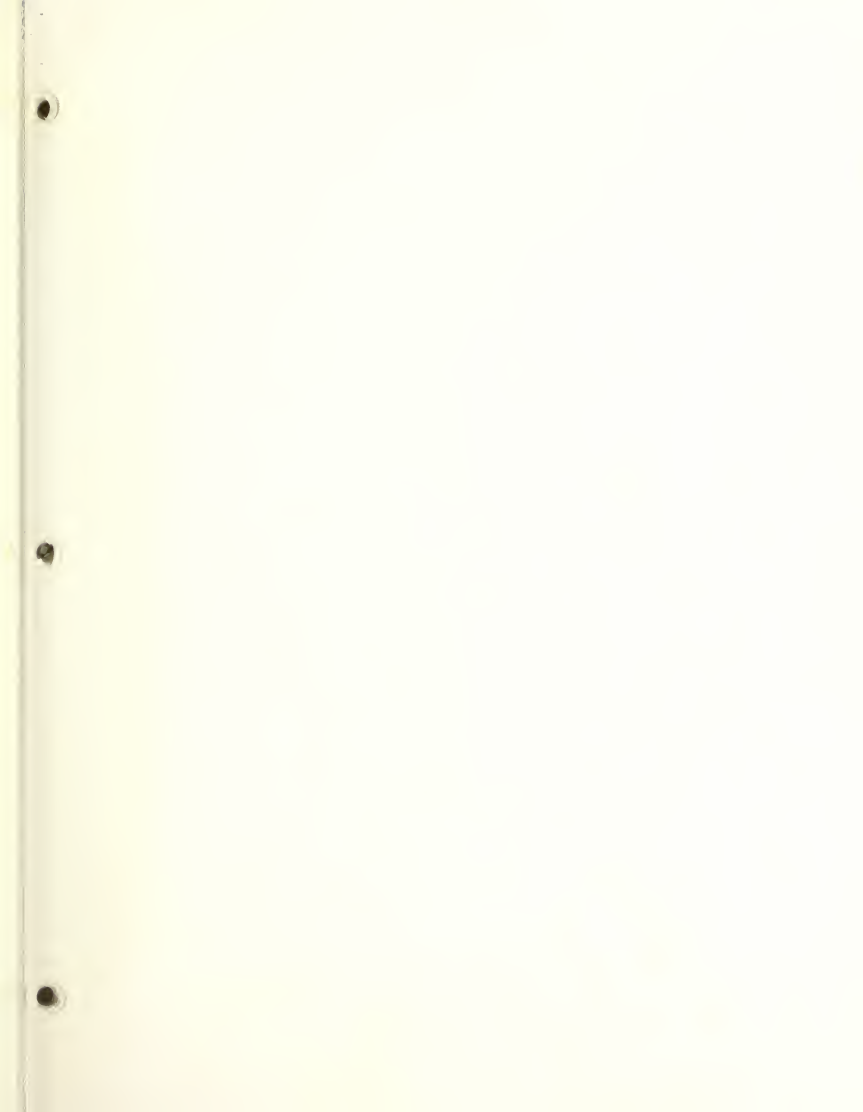
San Francisco, CA 94130



Ms. Kate Wingerson
Document Library Main Library
100 Larkin St.
San Francisco, CA 94102

Next regular meeting: Wednesday, October 21, 1998 at 1 p.m.

A binder of supporting material is available for public viewing at the Mayor's Treasure Island Project office, 410 Palm Avenue, on Treasure Island and at the Government Information Center reference desk, Main Library, Civic Center.









**Treasure Island Development Authority
Minutes of August 19, 1998 Regular Meeting**

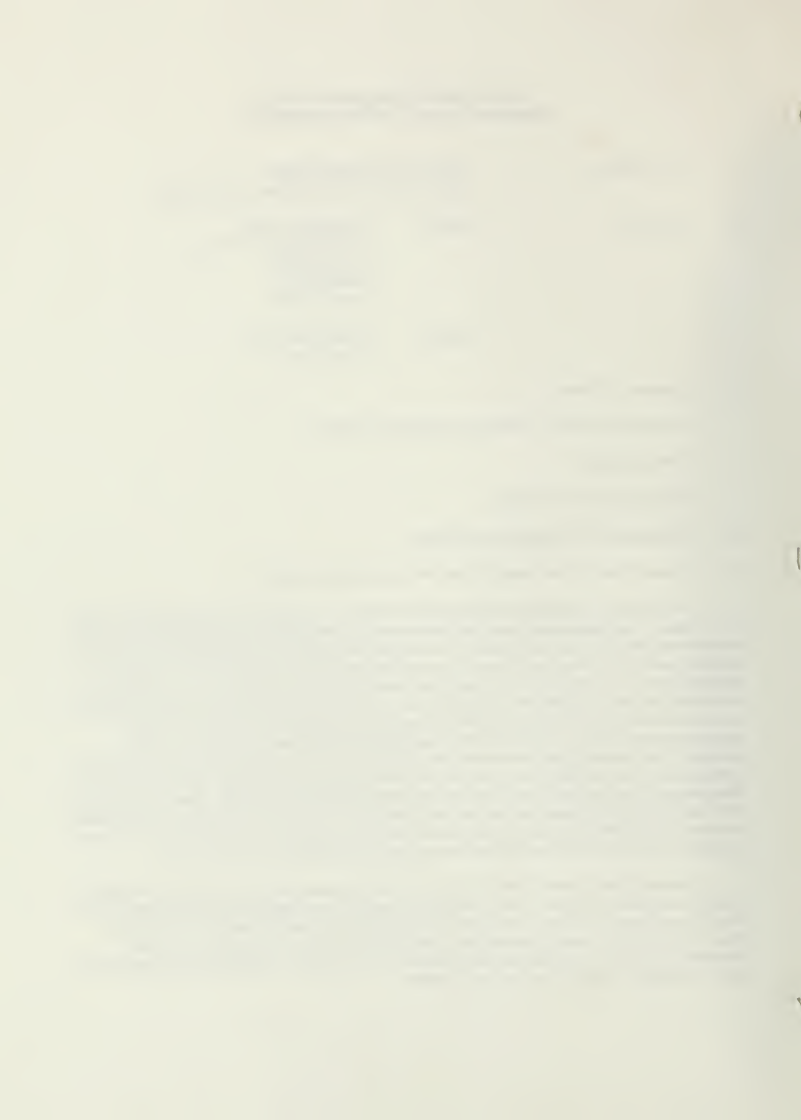
1. Call to Order: 1:26 p.m. in the Meeting Room,
Suite 3100, Port of San Francisco, Ferry Building
2. Roll Call: Present: Dale Carlson, Chair
John Elberling, Vice Chair
Anne Halsted
Gerald Green
James Morales

Excused: Donna Provenzano
Doug Wong
3. Approval of Minutes:

The minutes of July 15, 1998 were unanimously approved.
4. Communications
5. Ongoing Business by Directors
6. Introduction of New Business by Directors
7. Report of the Treasure Island Project Director, Annemarie Conroy

Ms. Conroy announced that a "Blues and Art Festival" would be held on Treasure Island Labor Day weekend. Ms. Halsted asked about ferry service to the island, charges to ride the ferry and how the public would learn about public transit to TI. Mr. Morales asked about the costs of the event and how it would be paid. Ms. Conroy stated that she expected 2000 cars per day @ \$20.00 per car bringing in \$40,000 per day. The Authority's revenues, if any, from the festival would be used to open the western portion of TI on Indian summer weekends from 9 a.m. to 4 p.m. to the public. Ms. Conroy estimated the cost of such access from \$25,000 to \$80,000. Before this can be done, the Authority must obtain permission from the Navy. Two additional police officers and additional fire protection are also necessary. Ms. Halsted inquired about access by car and Ms. Conroy responded that approximately 160 parking spaces were available. Ms. Conroy is also seeking corporate sponsorship. Mr. Green inquired about access to the remainder of the island and Ms. Conroy responded that just the western portion facing San Francisco would be opened and that the Navy provisionally agreed with such plan. Mr. Green asked how the Authority would inform the public about such access opportunities. Ms. Conroy stated that the Authority would have a booth at the Blues Festival which would help publicize the event.

Martha Walters reported that the Navy is conducting sampling on Site 12 and that remediation would be completed by August 1, 1999. Ms. Conroy reported that a short-term lease had been granted to Walt Disney Pictures. A longer term lease for Disney will be considered as Item 11 on the agenda. Finance Director Eila Arbuckle reported that a pre-bid meeting was held on August 11th and that responses for an EDC consultants are due September 4th. Ms. Arbuckle stated that a recommendation by staff would appear on the October Authority agenda.



With respect to the revised list of Authority contracts, Mr. Elberling asked about the EPS contract and the consultants' role. Ms. Conroy responded that their role was to evaluate the viability and financial desirability of a proposed contract with the John Stewart Company. Mr. Elberling asked if Authority staff had consulted with the Mayor's Office of Housing (MOH) with respect to that contract and its policy implications. Authority members and Ms. Conroy discussed the Mayor's statements, the need for economic self-sufficiency, EPS' and MOH's role. Mr. Carlson requested that when a proposed deal is struck that Authority staff pass the major deal points through MOH. Director Halsted noted that there was not consensus among TIDA members on the involvement of MOH.

With respect to a contract with Philip Williams, Martha Walters responded that Mr. Williams had been hired for \$2500 to complete an initial feasibility assessment on wetlands on Treasure Island. Ms. Walters stated that Mr. Williams' report is forthcoming.

Ms. Conroy reported that a draft response to the Grand Jury report is being reviewed by staff and that if a special meeting of the Authority is convened in early September, the response will be considered at that time.

With respect to TIHDI, Ms. Conroy reported that she has held numerous meetings with TIHDI and that the Authority had supported TIHDI's application for \$3,000,000 in federal McKinney funds for 37 units. She also supported TIHDI's application for continuation of funding from the Haas Foundation. Ms. Conroy added that she is working to introduce the "Nash Bridges" production company to TIHDI's job broker system. Mr. Elberling asked about the status of implementation of TIHDI's projects. Sherry Williams, TIHDI coordinator, responded that 28 units funded by McKinney funds and 10 units of transitional housing with Walden House had been funded with prior year commitments and that the funders are anxious to see progress. Ms. Williams noted that TIHDI had identified the 100 units that would be rehabilitated concurrent with the John Stewart contract. The work is funded by four different sources. Ms. Conroy stated that the Authority would be considering the John Stewart contract in 30 to 60 days with work commencing before Christmas.

Ms. Conroy reported on the Board of Supervisors hearings and action on Supervisors Yee and Ammiano's legislation and noted that Supervisor Yaki announced that he is considering the introduction of legislation to reconfigure TIDA by adding three members of the Board of Supervisors. Mr. Morales asked if such change in composition would require state legislation and City Attorney Cohen responded that just amendment of TIDA's by-laws would be necessary. Ms. Conroy added that the Board had approved TIDA's resolution on self-insurance and described the two hearings on TIDA at the Board of Supervisors on August 4th and August 18th.

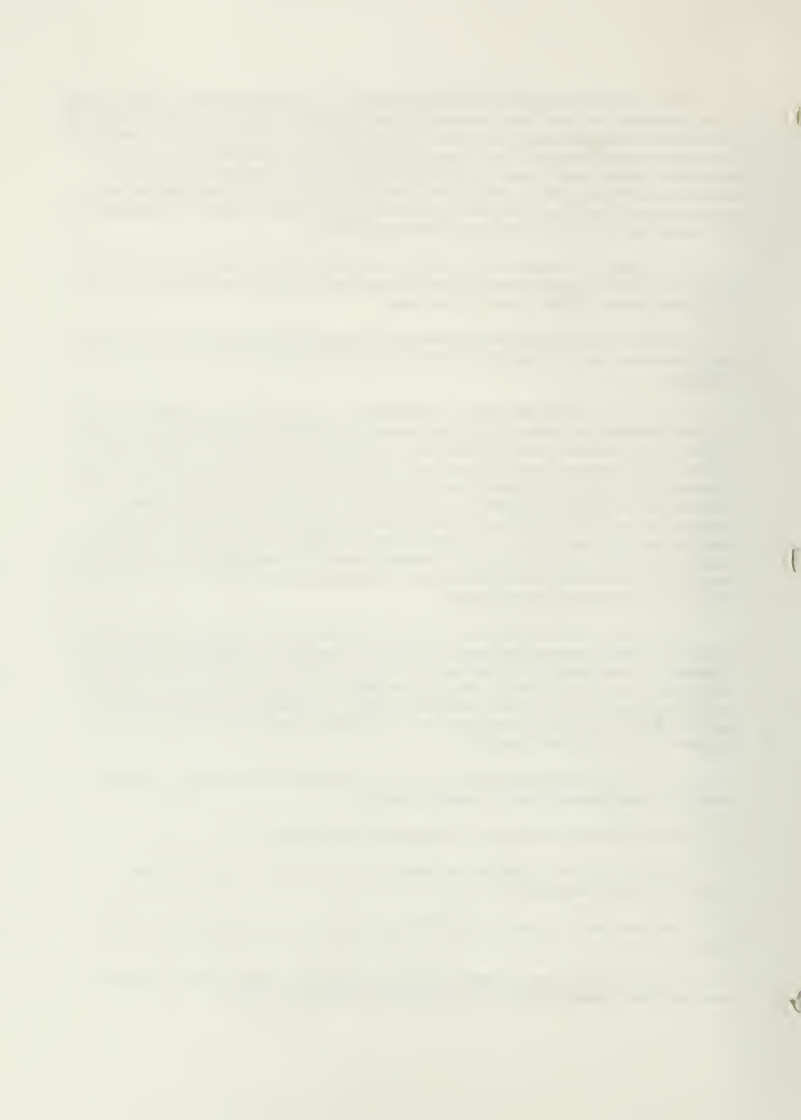
Ms. Conroy reported that policies relating to the formation of a Citizens Advisory Committee would be considered at the Authority's September meeting.

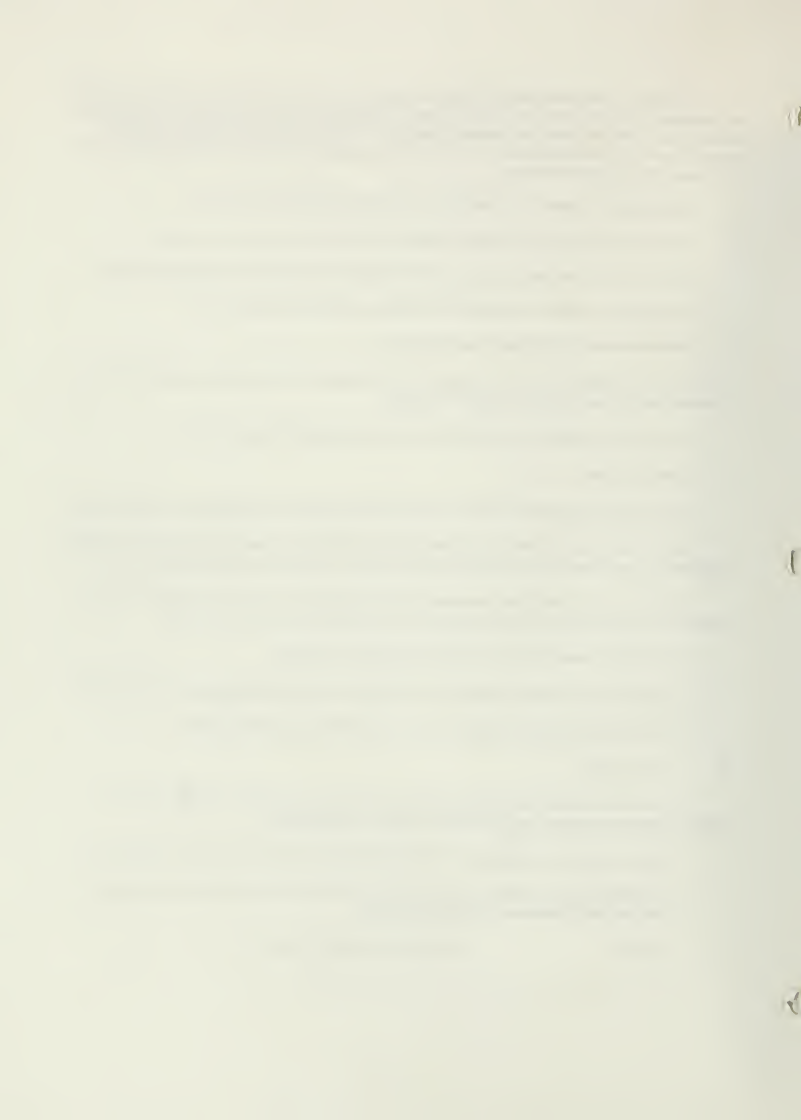
8. Resolution approving selection of environmental consultant (*Action item*)

This item was continued until the next meeting so that the contract with the consultant, Geomatrix, could be made available.

9. Resolution approving lease with United States Navy for South Waterfront properties (*Action item*)

Ms. Conroy noted typographical errors on staff summary should be corrected as follows: \$.05 cents per square foot of interior space and \$.003 cents per square foot of exterior space per month.





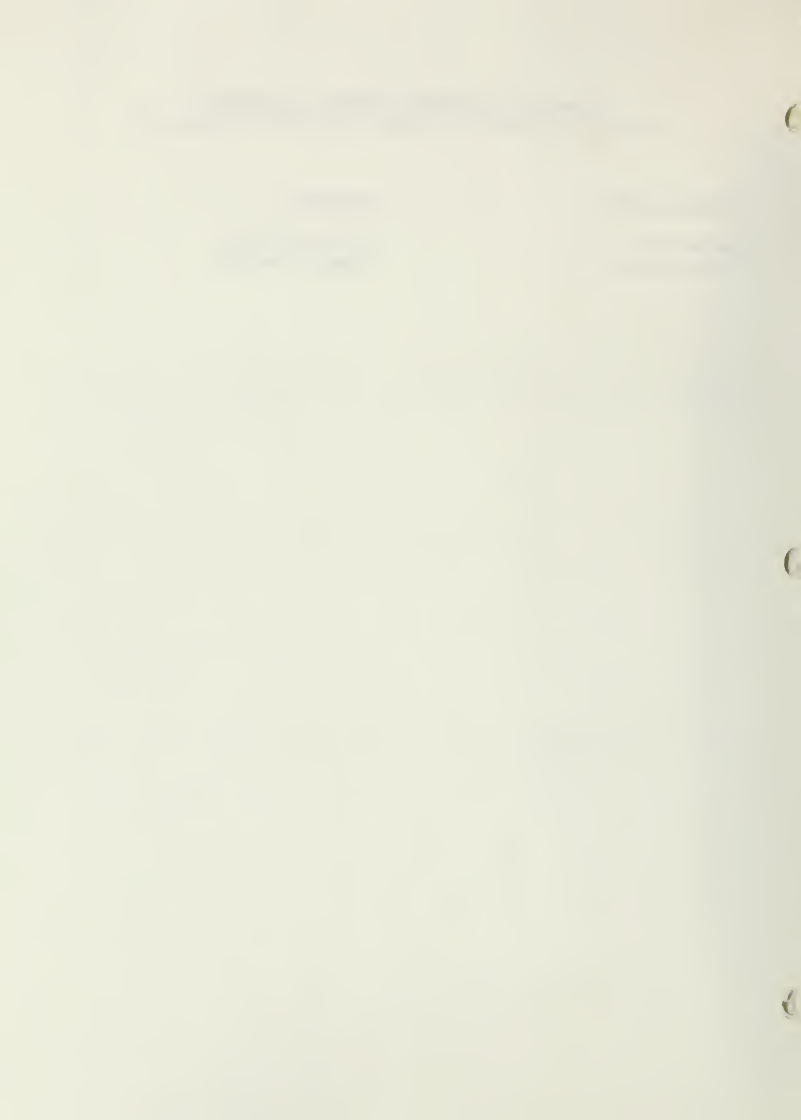
TREASURE ISLAND DEVELOPMENT AUTHORITY
LETTERS RECEIVED FROM AUGUST 11, 1998 TO SEPTEMBER 2, 1998

RECEIVED FROM

Martha Stooky
Elizabeth Johnson

SUMMARY

In support of wetlands
In support of wetlands









AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Selection of an environmental consultant Agenda No. 8

Contact Person/Phone: Martha Walters (415) 799-2474 Meeting Date 8/19/98

SUMMARY OF PROPOSED ACTION: To authorize the disbursement of already budgeted funds to the Department of Public Works and to approve the selection panel's recommendation of an environmental consultant for work related to Treasure Island. The contract (attached) is for professional services of up to \$100,000.

BACKGROUND AND DESCRIPTION OF PROPOSED ACTION: To assist the environmental project manager staff for the review and comment of Navy-generated environmental technical documents, the Mayor's Office at Treasure Island issued an RFP (with the Department of Public Works) for an environmental consultant in June, 1998. A pre-submittal conference was held at TI which drew approximately 25 consultants. Eight consultants submitted proposals by the due date, July 22, 1998. The selection panel (Reva Sandler, City Attorney, John Chester, DPW, Stan Desouza, DPW and Martha Walters, SFRA) completed an initial review and ranked the four highest consultants. After the HRC reviewed the candidates, two of the four candidates were disqualified because they did not meet RFP requirements. Subsequently, the next two ranked consultants were then moved up the list to be interviewed. The selection panel interviewed and scored the four candidates' presentations and credentials. The panel selected Geomatrix Consultants, Incorporated as the number one ranked consultant team.

ATTACHMENTS: Authorizing resolution and contract with Geomatrix



FILE NO. _____

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE RELEASE OF FUNDS TO THE DEPARTMENT OF PUBLIC WORKS TO PROVIDE TECHNICAL OVERSIGHT OF THE UNITED STATES NAVY'S ENVIRONMENTAL CLEANUP PROGRAM ON TREASURE ISLAND AND YERBA BUENA ISLAND; AFFIRMING THE SELECTION PROCESS FOR SUCH ENVIRONMENTAL CONSULTANT, AND APPROVING THE CONTRACT THEREFOR.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public

Introduction

Page 1

The purpose of this study is to investigate the effects of the proposed system on the performance of the system. The results of the study are presented in the following sections. The first section describes the system and the second section describes the results of the study. The third section discusses the implications of the results and the fourth section concludes the study.

The system is a new system that has been developed to improve the performance of the system. The system is designed to be used by the system and the results of the study are presented in the following sections. The first section describes the system and the second section describes the results of the study. The third section discusses the implications of the results and the fourth section concludes the study.

The results of the study are presented in the following sections. The first section describes the system and the second section describes the results of the study. The third section discusses the implications of the results and the fourth section concludes the study. The results of the study are presented in the following sections. The first section describes the system and the second section describes the results of the study. The third section discusses the implications of the results and the fourth section concludes the study.

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The study concludes that the proposed system has a significant effect on the performance of the system. The results of the study are presented in the following sections. The first section describes the system and the second section describes the results of the study. The third section discusses the implications of the results and the fourth section concludes the study.

trust for commerce, navigation and fisheries as to such property;
and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in 1997; and

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors (the "Board of Directors"), has the power subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and

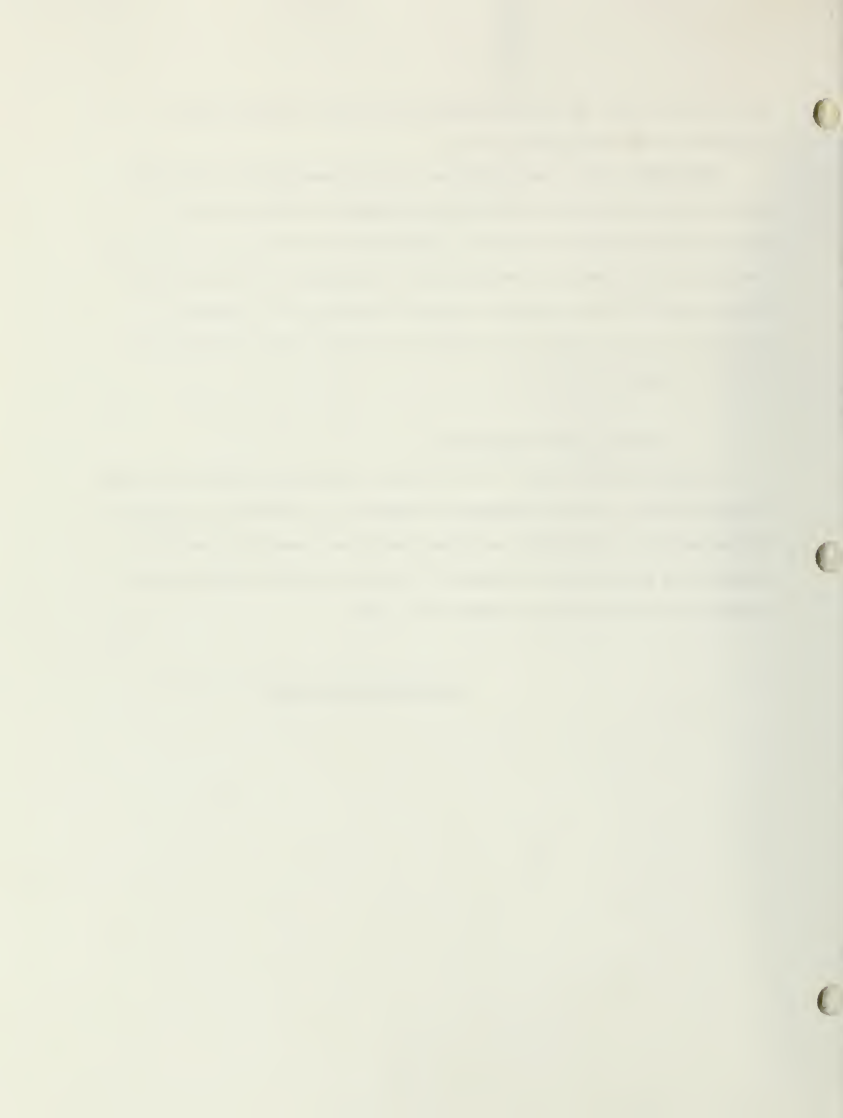
WHEREAS, A Request for Proposals ("RFP") was issued on June 22, 1998 soliciting responses from firms interested in providing assistance to the Authority in reviewing and commenting upon United States Navy environmental documents; and,

WHEREAS, Eight firms submitted proposals in response to the RFP; and

WHEREAS, A selection committee consisting of representatives from the Mayor's Treasure Island Project Office, the City's Department of Public Works and the City Attorney's Office evaluated all eight proposals and initially selected the four highest rated firms for subsequent interviews; and

WHEREAS, After conducting interviews the selection committee finalized its evaluation of the highest ranked respondents; and

WHEREAS, the response of Geomatrix Consultants, Incorporated



CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND GEOMATRIX Consultants, Inc.

This Agreement is made this _____ day of _____, 19, in the City and County of San Francisco, State of California, by and between:

GEOMATRIX Consultants, Inc.
100 Pine Street, 10th Floor
San Francisco, CA 94111

hereinafter referred to as "Contractor," and City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Director of Public Works, hereinafter referred to as "Director."

Recitals

WHEREAS, the Department of Public Works wishes to obtain **Environmental and Civil Engineering Consultation Services for Treasure Island**; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required for City as set forth under this contract; and,

WHEREAS, approval for said Agreement was obtained from the Civil Service Commission by Resolution No. PSC# 4005-98/99 dated _____

Now, THEREFORE, the parties agree as follows:

1. Definitions

Where any word or phrase defined below, or a pronoun used in place thereof, is used in any part of this Agreement and Specifications, it shall have the meaning herein set forth.

AUTHORIZATION	Contract Order of the City and County of San Francisco properly executed by the Director, Director of Purchasing, and Director of Administrative Services, and certified by the Controller for the specific funding of this Agreement or any modification thereof.
DIRECTOR OF ADMINISTRATIVE SERVICES	Director of Administrative Services of the City and County of San Francisco.
CITY	City and County of San Francisco, a municipal corporation.
CONTRACTOR	GEOMATRIX Consultants, Inc.
CONTROLLER	Controller of the City and County of San Francisco.
DIRECTOR	Director of Public Works of the City and County of San Francisco.
WORK	The work to be done in providing the services as described and specified in Appendix A.

Whenever the words "as directed", "as required", "as permitted", or words of like effect are used, it shall be understood as the direction, requirement, or permission of the Department of Public Works. The words "sufficient", "necessary", or "proper", and the like, mean sufficient, necessary or proper in the judgment of the Department of Public Works. The words "approval", "acceptable", "satisfactory", or words of like import, shall mean approved by, or acceptable to, or satisfactory to the Department of Public Works, unless otherwise indicated by the context.



2. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter of City. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year in the event funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

3. Term of the Agreement

Subject to Section 2, the term of this Agreement shall be from the date of posting of the Agreement to September 30, 2000.

4. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

5. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Services to be Provided by Contractor," attached hereto and incorporated by reference as though fully set forth herein.

6. Compensation

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 5 of this Agreement, that the Director of Public Works, in his or her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this contract exceed \$100,000.00 (ONE HUNDRED THOUSAND DOLLARS). The breakdown of costs associated with this contract is provided for in Appendix B, "Schedule of Values," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Department of Public Works as being in accordance with this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

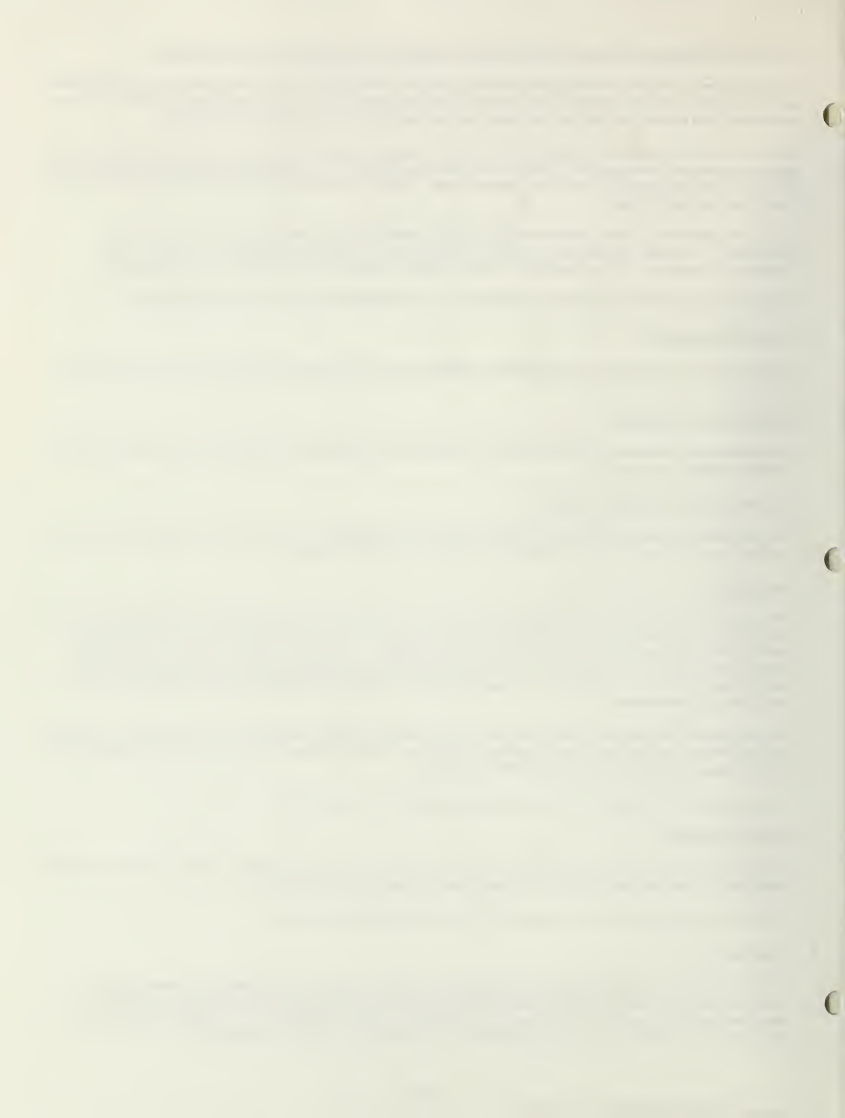
7. Method of Payment

Invoices furnished by Contractor under this Agreement must be in a form acceptable to Director of Purchasing and Controller. All amounts paid by City to Contractor shall be subject to audit by City.

Payment shall be made by City to Contractor at the address stated hereinabove.

8. Disallowance

In the event Contractor claims or receives payment from City for a service, reimbursement for which is later disallowed by City or State of California or United States Government, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement.



9. Taxes

Payment of any taxes, including California Sales and Use Taxes, levied upon this Agreement, the transaction, or the services delivered pursuant hereto, shall be the obligation of Contractor.

10. Payment Does Not Imply Acceptance of Work

The granting of any progress payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work or material although the unsatisfactory character of such work or material may not have been apparent or detected at the time such payment was made. Materials, components, or workmanship which do not conform to the Specifications will be rejected and shall be replaced by Contractor without delay.

11. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will conform with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, shall be supervised by Contractor.

12. Responsibility for Equipment

City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City. The acceptance or use of such equipment by Contractor or any of its employees shall be construed to mean that Contractor accepts full responsibility for and agrees to exonerate, indemnify, defend and save harmless City from and against any and all claims for any damage or injury of any type arising from the use, misuse or failure of such equipment, whether such damage be to the contractor, its employees, City employees or third parties, or to property belonging to any of the above.

13. Independent Contractor

Contractor shall be deemed at all times to be an independent Contractor and shall be wholly responsible for the manner in which Contractor performs the service required of Contractor by the terms of this Agreement. Contractor shall be liable for the acts and omissions of it, its employees and its agents. Nothing contained herein shall be construed as creating an employment or agency relationship between City and Contractor.

Terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only and not as to the means by which such a result is obtained.

14. Insurance

a. Without in any way limiting Contractor's liability pursuant to Section 15, "Indemnification and General Liability," of this Agreement, Contractor will maintain in force, during the full term of the Agreement, insurance in the following amounts and coverage:

- (1) Workers' Compensation, with Employers' Liability limits not less than \$100,000 each accident.
- (2) Commercial General Liability Insurance with limits not less than \$1,000,000.00 each occurrence Combined Single Limit for Bodily Injury and Property Damage.
- (3) Business Automobile Liability Insurance with not less than \$1,000,000.00 each occurrence Combined Single Limit for Bodily Injury and Property Damage.
- (4) Professional Liability insurance with limits not less than \$3,000,000 each claim with respect to negligent acts, errors or omissions, and any deductible not to exceed \$200,000 each claim.
- (5) Contractors Pollution Liability insurance with limits not less than \$3,000,000 each occurrence, combined single limit for bodily injury and property damage with any deductible not to exceed \$200,000 each occurrence

b. Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to provide the following:



- (1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.
- (2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this contract, and that insurance applies separately to each insured against whom claim is made or suit is brought.
- c. All policies shall be endorsed to provide:

Thirty (30) days' advance written notice to City of cancellation, non-renewal or reduction in coverage, mailed to the following address:

Contract Clerk
Department of Public Works
Division Of Contract Administration
875 Stevenson Street, Room 420
San Francisco, CA 94103

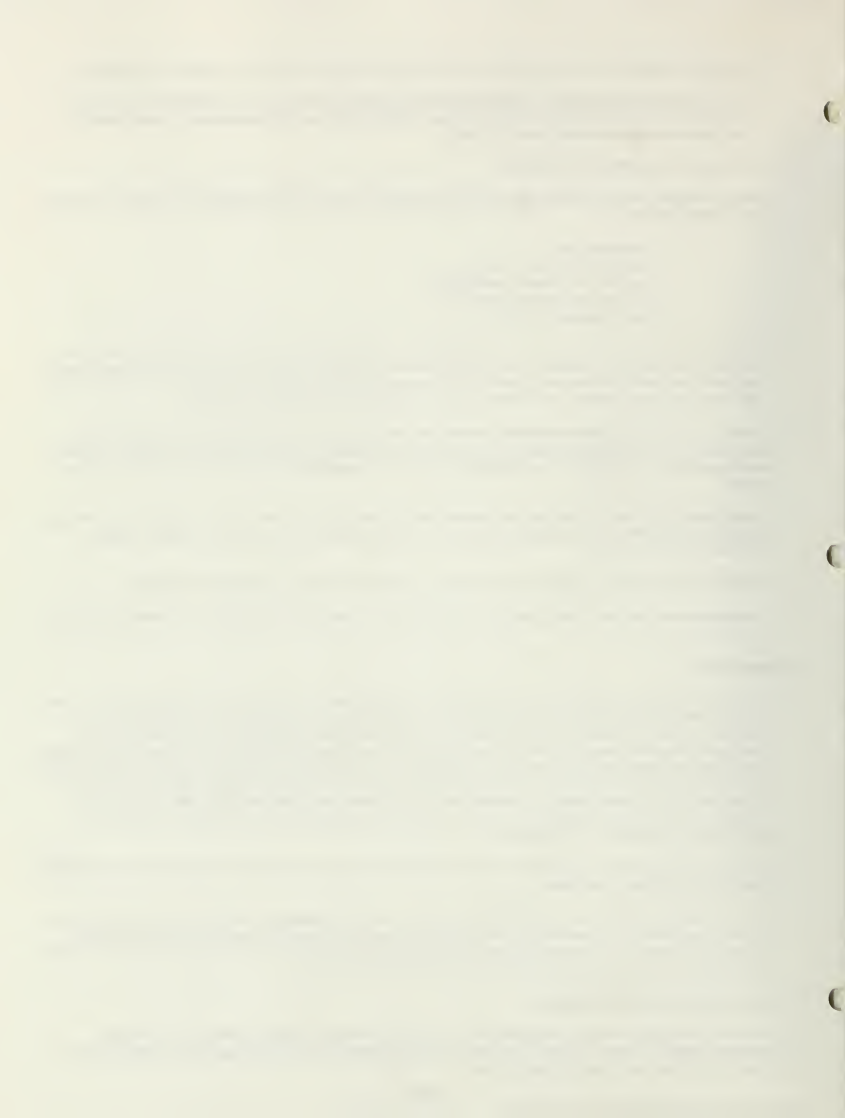
- d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the contract, such claims shall be covered by such claims-made policies.
- e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.
- f. Certificates of insurance, in form and with insurers satisfactory to City, evidencing all coverages above shall be furnished to City before commencing any operations under this contract, with complete copies of policies promptly upon City request.
- g. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.
- h. This Agreement shall terminate immediately, without notice to Contractor, upon any lapse of required insurance coverage.

15. Indemnification

- a. To the fullest extent permitted by law, the Contractor shall assume the defense of, indemnify and save harmless the City and its officers and employees (collectively "Indemnitees") from any claim, loss, damage, injury (including, without limitation, injury to or death of an employee of the Contractor or its subcontractors) and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorneys' fees and costs of investigation) that arise directly or indirectly, in whole or in part, from: (1) the services under this Agreement, or any part thereof, (2) any act or omission of Contractor, and subcontractor to the Contractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"), even if such Liabilities are caused in part by the negligence of any Indemnitee, subject to the provisions set forth below in this Section.
- b. The Contractor assumes no liability whatsoever for the sole negligence or willful misconduct of any Indemnitee or the contractors of any Indemnitee.
- c. The Contractor's indemnification obligations for claims involving "Professional Liability" (claims involving acts, errors, or omissions in the rendering of professional services) and "Economic Loss Only" (claims involving economic loss which are not connected with bodily injury or physical damage to property) shall be limited to the proportionate extent of Contractor's negligence or other breach of duty.

16. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's negligent acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights which City may have under applicable law.



17. Liability of City

City's obligations under this contract shall be limited to the payment of the compensation provided for in Section 6 of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for Contractor's own special, consequential, indirect or incidental damages, including, but not limited to, lost profits, arising out of or in connection with this Agreement or the services performed in connection with this Agreement.

18. Liquidated Damages

Not Applicable

19. Bankruptcy

In the event that either party shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any State relating to insolvency or the protection of rights of creditors, then at the option of the other party this Agreement shall terminate and be of no further force and effect, and any property or rights of such other party, tangible or intangible, shall forthwith be returned to it.

20. Termination

In the event Contractor fails to perform any of its obligations under this Agreement, this Agreement shall be terminated and all of the Contractor's rights hereunder ended. Termination shall be effective after ten (10) days' written notice to Contractor. No new work will be undertaken after the date of receipt of any notice of termination, or five days after the date of the notice, whichever is earlier. In the event of such termination, Contractor shall be paid for its services under this Agreement, up to the date of termination, that have been performed to the satisfaction of City. City may terminate this Agreement for City's convenience and without cause at any time by giving Contractor thirty (30) days' written notice of such termination. In the event of such termination, Contractor shall be paid for its services that have been performed to the satisfaction of City under this Agreement, up to the date of termination.

Upon termination of this Agreement, Contractor will submit an invoice to City for an amount which represents the value of services actually performed prior to the effective date of termination for which Contractor has not previously been compensated, except that in no event will the compensation paid for the month in which termination occurs be greater than the scheduled monthly fee multiplied by a fraction, the numerator of which will be the days in the month elapsed prior to the termination and the denominator of which shall be 31. Upon approval and payment of this invoice by City, City shall be under no further obligation to Contractor monetarily or otherwise.

21. Contractor's Default

Failure or refusal of the Contractor to perform or do any act herein required shall constitute a default. In the event of any default, in addition to any other remedy available to the Director of Public Works, this contract may be terminated by the Director of Public Works pursuant to the terms of Section 20 herein. Such termination shall not waive any other legal remedies available to the Director of Public Works.

22. Conflict of Interest

Contractor states that it is familiar with provisions of Section 8.105 of the Charter of City, and Section 87100 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions.



23. Other Agreements between City and Contractor

Contractor agrees that neither it nor any of Contractor's employees has any interest, however remote, in any other Agreement with City, whether or not such Agreement is with Contractor's firm, affiliate firms, or through separate employment, except as expressly itemized in Appendix C, "Contractor's and Contractor's Employees' Interests in Other City Contracts," hereto attached. Failure to disclose such information will result in termination of this Agreement pursuant to Section 20 herein.

24. Proprietary or Confidential Information of City

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and registered as follows:

To City: Department of Public Works
Division of Contract Administration
875 Stevenson Street, Room 420
San Francisco, CA 94103

To Contractor: GEOMATRIX Consultants, Inc.
100 Pine Street, 10th Floor
San Francisco, CA 94111

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, studies, reports, memoranda, computation sheets or other documents prepared by Contractor or its Subcontractors in connection with services to be performed under this Agreement shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Audit and Inspection of Records

Contractor agrees to maintain and make available to City during business hours accurate books and accounting records relative to its activities under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any Federal agency having an interest in the subject of this Agreement shall have the same rights conferred upon City by this Section.

28. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is approved by written instrument executed and approved in the same manner as this Agreement. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An Agreement made in violation of this provision shall confer no rights on any party and shall be null and void.



29. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder shall be assigned or delegated by Contractor unless approved by written instrument executed and approved in the same manner as this Agreement.

30. Equal Opportunity Employment and Business Practices; Liquidated Damages

Contractor agrees to comply fully with all provisions of Chapters 12B and 12D of the San Francisco Administrative Code, as amended from time to time. Said provisions are incorporated herein by reference and made a part of this contract as though fully set forth.

In the event Contractor willfully fails to comply with any of the provisions of Chapter 12D, Contractor shall be liable for liquidated damages for each contract in an amount equal to Contractor's net profit on the contract, or ten percent (10%) of the total amount of the contract, or one thousand dollars (\$1,000), whichever is greatest. The amount of liquidated damages imposed will be determined by the Director of the HRC after investigation pursuant to Section 12D.14(C).

By entering into this contract, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

Pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of fifty dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this contract may be deducted from payments due to Contractor.

31. Compliance with South Africa Divestment Ordinance; Liquidated Damages

Not Applicable.

32. MacBride Principles--Northern Ireland

The City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

33. Drug-Free Workplace Policy

This section does not apply as Federal funds are not involved under this contract.

34. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

35. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms waived, except by written instrument executed and approved in the same manner as this Agreement.



36. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the Director of Public Works who shall decide the true meaning and intent of the Agreement.

37. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, excluding its conflict of laws rules. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

38. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

39. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 35.

40. Tropical Hardwood and Virgin Redwood Ban

The City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood or tropical hardwood wood product, virgin redwood or virgin redwood wood product.

41. Ownership of Equipment

Any equipment vehicles, computer programs (software licenses and media), etc. purchased by the Contractor or its subcontractors in connection with services to be performed under this Agreement shall become property of and will be transmitted to the City.

42. Guaranteed Maximum Costs

- a. The City's obligations hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.
- b. Except as may be provided by City ordinances governing emergency conditions, the City and its employees and officers are not authorized to request Contractor to perform services that would result in Contractor performing services that are beyond the scope of the services agreed upon in the contract unless the agreement is amended in writing and approved as required by law to authorize the additional services.
- c. The City and its employees and officers are not authorized to offer or promise to Contractor additional funding for the contract which would exceed the maximum amount of funding provided for in the contract for Contractor's performance under the contract. Additional funding for the contract in excess of the maximum provided in the contract shall require lawful approval and certification by the Controller of the City and County of San Francisco. The City is not required to honor any offered or promised additional funding for a contract which exceeds the maximum provided in the contract which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.
- d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget of by supplemental appropriation.

43. Burma (Myanmar) Business Prohibition

Contractor is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a "prohibited person or entity" as defined in Section 12J.2(G) of the San Francisco Administrative Code. The City reserves the right to terminate this contract for default if the Contractor violates the terms of this section.



Chapter 12J of the San Francisco Administrative Code is hereby incorporated by reference as though fully set forth herein. The failure of Contractor to comply with any of its requirements shall be deemed a material breach of contract. In the event that Contractor fails to comply in good faith with any of the provisions of Chapter 12J of the San Francisco Administrative Code, Contractor shall be liable for liquidated damages for each violation in an amount equal to Contractor's net profit under the contract, or 10% of the amount of the contract, or \$1,000, whichever is greatest. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any moneys due to the Contractor from any City contract.

44. Sunshine Ordinance

Contracts, contractor's bids, responses to requests for proposals and all other records of communications between the department and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this subdivision will be made available to the public upon request.

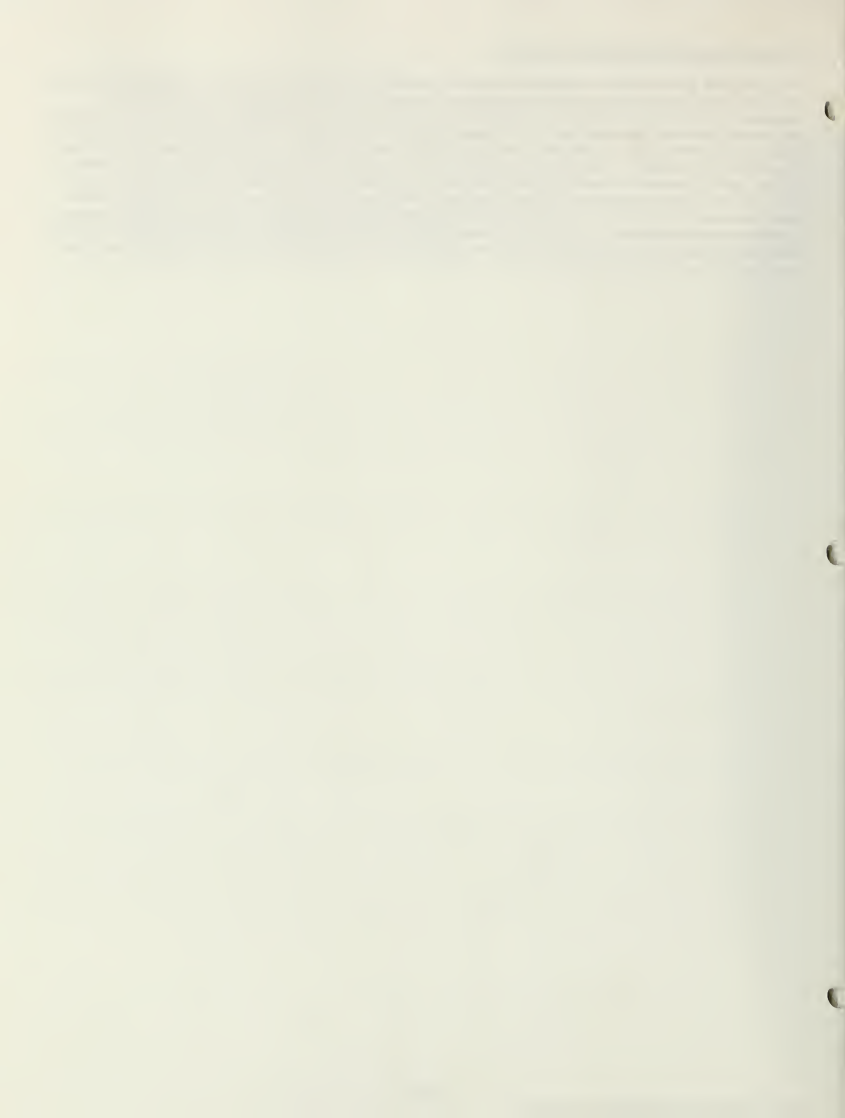
45. Non-Discrimination in City Contracts and Benefits Ordinance

- a. Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Contractor, in any of Contractor's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Contractor.
- b. Subcontracts. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.
- c. Non-Discrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.
- d. Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.
- e. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.



46. Submitting False Claims: Monetary Penalties

Any contractor, subcontractor or consultant who commits any of the following acts shall be liable to the City for three times the amount of damages which the City sustains because of the act of that contractor, subcontractor or consultant. A contractor, subcontractor or consultant who commits any of the following acts shall be liable to the City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim: (a) Knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval. (b) Knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City. (c) Conspires to defraud the City by getting a false claim allowed or paid by the City. (d) Knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City. (e) Is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.



CITY

Recommended by: *S. Muller*

CONTRACTOR

GEOMATRIX Consultants, Inc.

Signature

Name

Don Eng, Chief, Bureau of Construction Management

100 Pine Street, 10th Floor

Address

Approved as to Form:
Louise H. Renne
City Attorney

San Francisco	CA	94111
City	State	Zip

I have read and understood Sec. 32, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

By
Deputy City Attorney

Approved:

Mark A. Primeau, AIA
Director of Public Works
and City Architect

By *James C. Price*
Signature

JAMES C. PRICE VICE PRESIDENT
Name Title

Approved:

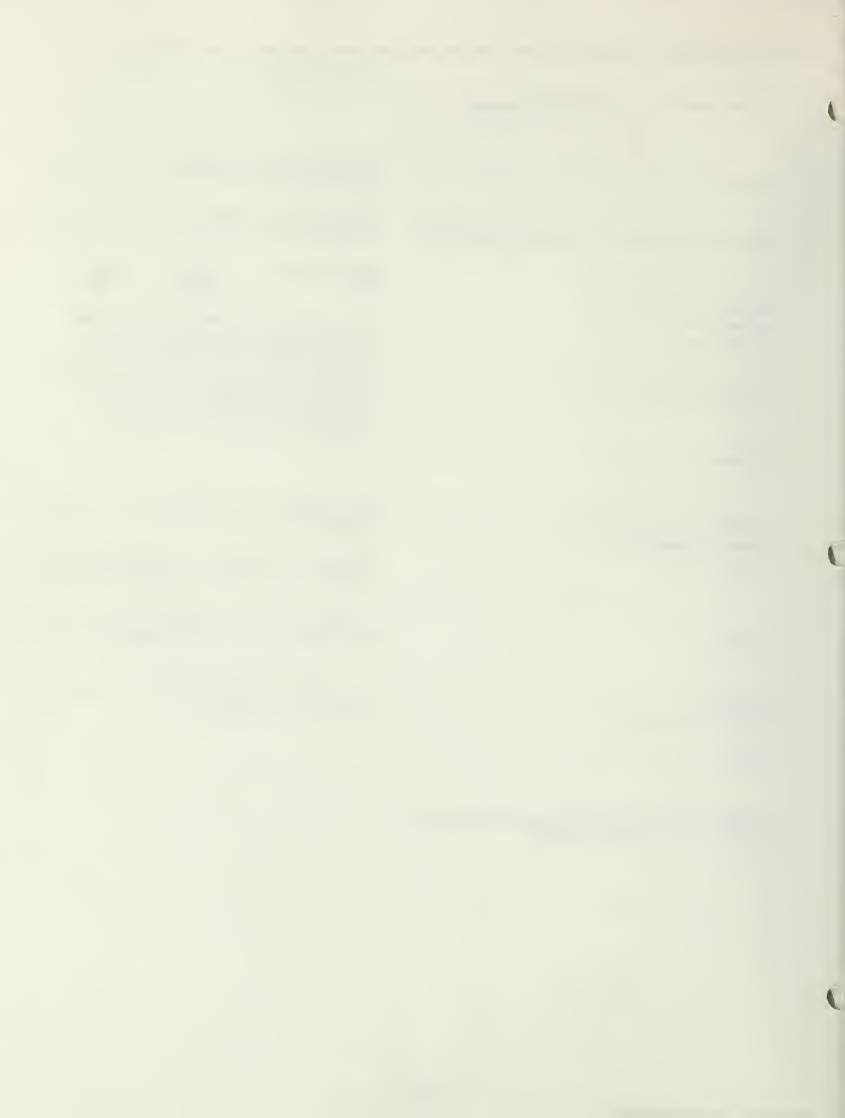
(415) 743-7097
Area Code Phone Number

Edwin Lee
Director of Purchasing

94-2934407
Federal Employer Number

Approved:

Only Required if >\$50 & Non-Project Related Services
Director of Administrative Services



APPENDIX A

SCOPE OF WORK

The Consultant shall provide Environmental and Civil Engineering Consultation Services pertaining to Treasure Island and Yerba Buena Island (and related areas involving former Federal authority now part of Base Conversion evaluation and reuse).

Services shall include, but not be limited to review and comment on the Navy's remedial investigations, feasibility reports and other relevant documents pertaining to their investigations and site cleanup activities.

GEOMATRIX shall act as prime consultant directing the activities of subconsultants Olivia Chen Consultants, Inc., Micro Analytical Labs, Inc., AFA Construction, Inc., and Chromalab, Inc. Additional subconsultants may be added as long as overall HRC participation goals are maintained.



APPENDIX B
SCHEDULE OF VALUES



GEOMATRIX CONSULTANTS, INC.

SCHEDULE OF VALUES



Schedule of Values
Geomatrix Consultants, Inc.

<i>Personnel Category</i>	<i>Hourly Rate (\$ per Classification)</i>	<i>Fringe Benefits (32.5% of Labor)</i>	<i>Overhead (161.13% of Labor)</i>	<i>Fee (10% of Total Cost)</i>	<i>Total Hours Rate (\$)</i>
Principal	41.35 - 75.00	13.44 - 24.38	66.63 - 120.85	12.14 - 22.02	133.56 - 242.24
Senior II	31.25 - 43.23	10.16 - 14.05	50.35 - 69.66	9.18 - 12.69	100.94 - 139.63
Senior I	30.00 - 41.20	9.75 - 13.39	48.34 - 66.39	8.81 - 12.10	96.90 - 133.07
Project II	25.73 - 37.00	8.36 - 12.03	41.46 - 59.62	7.56 - 10.86	83.11 - 119.51
Project I	20.20 - 33.00	6.57 - 10.73	32.55 - 53.17	5.93 - 9.69	65.24 - 106.59
Staff II	19.24 - 30.00	6.25 - 9.75	31.00 - 48.34	5.65 - 8.81	62.14 - 96.90
Staff I	14.91 - 30.00	4.85 - 9.75	24.02 - 48.34	4.38 - 8.81	48.16 - 96.90
Senior Technician	14.91 - 21.74	4.85 - 7.07	24.02 - 35.03	4.38 - 6.38	48.16 - 70.22
Field Technician	12.00 - 14.91	3.90 - 4.85	19.34 - 24.02	3.52 - 4.38	38.76 - 48.16
CAD/Graphics	16.50 - 28.61	5.36 - 9.30	26.59 - 46.10	4.84 - 8.40	53.29 - 92.41
Project Assistant	12.00 - 23.27	3.90 - 7.56	19.34 - 37.49	3.52 - 6.83	38.76 - 75.16
Technical Editor	22.46 - 22.46	7.30 - 7.30	36.19 - 36.19	6.59 - 6.59	72.54 - 72.54
Technical Typist	15.87 - 21.50	5.16 - 6.99	25.57 - 34.64	4.66 - 6.31	51.26 - 69.44
Production Assistant	6.00 - 15.00	1.95 - 4.88	9.67 - 24.17	1.76 - 4.40	19.38 - 48.45

CHROMALAB, INC.
(SECONDARY LABORATORY)

SCHEDULE OF VALUES AND CERTIFICATION



CHROMALAB, INC.

July, 98

Environmental Services (SDB)

PRICE LIST EXCLUSIVELY FOR GEOMATRIX

Soil and Water same price 5 Day Turnaround Time

TPH--Total Petroleum Hydrocarbons

TPH gasoline/BTEX, gasoline, or BTEX	EPA 5030/8015 /8020	\$60.00
TPH gasoline/BTEX with MTBE	EPA 5030/8015 /8020 (MTBE confirmed by MS)	75.00
TPH diesel	EPA 3550 or 3510/8015M	60.00
TPH diesel and motor oil (TEPH)	EPA 3550 or 3510/8015M	75.00
TPH extractable scan, other hydrocarbons	EPA 3550 or 3510/8015M	75.00
Fuel Oxygenates (MTBE, TAME, ETBE, DIPE, TBA)	EPA 8260M	150.00
Oil and grease	Std Meth 5520 E&F or B&F, EPA 413.1	50.00

Organic Analysis

Volatile halocarbons (CIHC)	EPA 8010	80.00
Volatile aromatics	EPA 8020	80.00
Volatile organics	EPA 8240 or 8260	150.00
Semivolatile organics	EPA 8270	275.00
Polynuclear Aromatic Hydrocarbons (PAH, PNA)	EPA 8270 (GC/MS)	150.00
Polynuclear Aromatic Hydrocarbons (PAH, PNA)	EPA 8310 (HPLC)	175.00
Phenols	EPA 8270	150.00
Organochlorine pesticides and PCBs	EPA 8080	125.00
PCBs	EPA 8080	100.00
Nitroaromatics and Nitramines (Explosives)	EPA 8330	175.00
Glycols	EPA 8015M	125.00
Alcohols	EPA 8015M	125.00

Metals Analysis--TTL

LUFT heavy metals (5 metals)	EPA 6010 (ICP)	80.00
RCRA metals (8 metals)	EPA 6010 and 7470/7471	115.00
Priority pollutants (13 metals)	EPA 6010 and 7470/7471	125.00
Title 22 (CAM 17 metals)	EPA 6010 and 7470/7471	150.00
Individual metals (price per metal)	EPA 6010, 7420	22.50
Mercury (cold vapor)	EPA 7470/7471	45.00
Hexavalent chromium	EPA 7196	55.00

Extraction Methods and General Chemistry Tests

TCLP, STLC (CAM WET) extraction	EPA 1311/W.E.T.	75.00
TCLP for volatile organics (ZHE)	EPA 1311	100.00
RCI (reactivity, corrosivity, and ignitability in soil)	CA Title 22	67.50
pH or Specific Conductance	EPA 9040/9045/9050	20.00
TDS, TSS, or Settleable Solids (SS)	EPA 160.1, 160.2, 160.5	20.00
% Moisture/ dry weight result	EPA SW 846	20.00
Flashpoint	EPA 1010	35.00
Compositing and disposal fee (per container)		3.75

Air Analysis--Samples in Tedlar bags, includes RUSH charges

TPH gasoline/BTEX	EPA 5030/8015/8020	100.00
Halogenated organics	EPA 8010	120.00
Volatile organics by GC/MS	EPA 8240	250.00

Other Services:

Sample pickup in the Bay Area	No charge
Filtration	10.00
Silica gel cleanup	15.00
Crushing & homogenizing sample	quote

Materials:

Glass VOA, 1 L amber glass, plastic sample jars	No charge
Brass/stainless sleeve	3.00
2 1/2 gallon cubitainer	10.00

EPA Level 2 Report	No charge on request
Chromatograms, each	5.00
Reprinted report (\$10 minimum)	1.00/page
Electronic report (EDD)	add 5%
Minimum Invoice \$50	Minimum Visa/MC \$20

Rush Charges:

Three days turnaround	add 25%
48 hours	add 50%
24 hours	add 100%
Same day, Overnight, or Weekend	add 200%

DEPARTMENT OF HEALTH SERVICES

151 BERKELEY WAY
BERKELEY, CA 94704-1011
(510)540-2800

June 3, 1996



Certificate No.: 1094

Eric T. Tam
Chromalab, Inc.
1220 Quarry Lane
Pleasanton, CA 94566-4756

REC'D JUN 12 1996

Dear Mr. Tam:

This is to advise you that the laboratory named above has been certified as an environmental testing laboratory pursuant to the provisions of the California Environmental Laboratory Improvement Act of 1988 (Health and Safety Code, Division 1, Part 2, Chapter 7.5, commencing with Section 1010).

The fields of testing for which this laboratory has been certified under this Act are indicated in the enclosed "List of Approved Fields of Testing and Analytes." Certification shall remain in effect until January 31, 1998 unless revoked. This certificate is subject to an annual fee as prescribed by Section 1017(a), Health and Safety Code, on the anniversary date of the certificate.

Please note that your laboratory is required to notify the Environmental Laboratory Accreditation Program of any major changes in the laboratory such as the transfer of ownership, change of laboratory director, change in location, or structural alterations which may affect adversely the quality of analyses (Section 1014(b), California Health & Safety Code).

Please note that the new regulations pertaining to environmental laboratories were adopted on December 5, 1994 and may be found in the California Code of Regulations, Title 22, Division 4, Chapter 19, Sections 64801 through 64827.

Your continued cooperation is essential in order to establish a reputation for the high quality of the data produced by environmental laboratories certified by the State of California.

If you have additional questions, please contact Aida S. Dente at (510) 540-2800.

Sincerely,

George C. Kulasingam, Ph.D., Manager
Environmental Laboratory
Accreditation Program

Enclosure



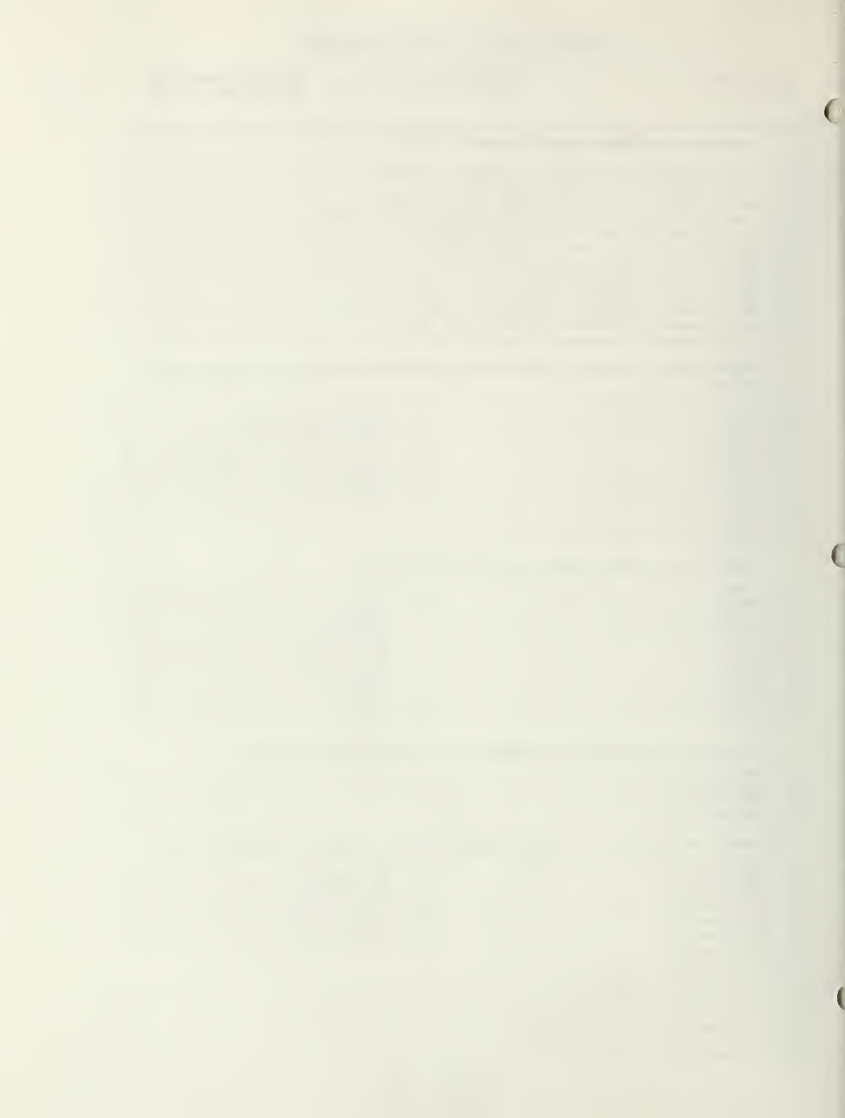
ENVIRONMENTAL LABORATORY ACCREDITATION/REGISTRATION
List of Approved Fields of Testing and Analyses

Chromalab, Inc.
1220 Quarry Lane
Pleasanton, CA

TELEPHONE No: (510) 484-1919
CALIFORNIA COUNTY: Contra Costa

CERTIFICATE NUMBER: 1094
EXPIRATION DATE: 1/31/98

<u>1 Microbiology of Drinking Water and Wastewater (-----)</u>			
1.1	Total Coliforms in Drinking Water by Multiple Tube Fermentation	-----	N
1.2	Fecal Coliforms/E. Coli in Drinking Water by MTF	-----	N
1.3	Total Coliforms in Drinking Water by Membrane Filter Technics	-----	N
1.4	Fecal Coliforms/E. Coli in Drinking Water by Membrane Filter Technics	-----	N
1.5	Total Coliforms and E. Coli in Drinking Water by MMO-HUG	-----	N
1.6	Total Coliforms in Drinking Water by Clark's Presence/Absence	-----	N
1.7	Fecal Coliforms/E. Coli in Drinking Water by Clark's Presence/Absence	-----	N
1.8	Heterotrophic Plate Count	-----	N
1.9	Total Coliforms in Wastewater by Multiple Tube Fermentation	-----	N
1.10	Fecal Coliforms in Wastewater by MTF	-----	N
1.11	Total Coliforms in Wastewater by Membrane Filter Technics	-----	N
1.12	Fecal Coliforms in Wastewater by Membrane Filter Technics	-----	N
1.13	Fecal Streptococci or Enterococci by Multiple Tube Technics	-----	N
1.14	Fecal Streptococci or Enterococci by Membrane Filter Technics	-----	N
<u>2 Inorganic Chemistry and Physical Properties of Drinking Water excluding Toxic Chemical Elements (-----)</u>			
2.1	Alkalinity	-----	N
2.2	Calcium	-----	N
2.3	Chloride	-----	N
2.4	Corrosivity	-----	N
2.5	Fluoride	-----	N
2.6	Hardness	-----	N
2.7	Magnesium	-----	N
2.8	MBAS	-----	N
2.9	Nitrate	-----	N
2.10	Nitrite	-----	N
2.11	Sodium	-----	N
2.12	Sulfate	-----	N
2.13	Total Filterable Residue and Conductivity	-----	N
2.14	Iron (Colorimetric Methods Only)	-----	N
2.15	Manganese (Colorimetric Methods Only)	-----	N
2.16	Phosphate, ortho	-----	N
2.17	Silica (Colorimetric Methods Only)	-----	N
2.18	Cyanide	-----	N
<u>3 Analysis of Toxic Chemical Elements in Drinking Water (04-11-91)</u>			
3.1	Arsenic	-----	Y
3.2	Barium	-----	N
3.3	Cadmium	-----	N
3.4	Chromium, total	-----	N
3.5	Copper	-----	Y
3.6	Iron	-----	N
3.7	Lead	-----	Y
3.8	Manganese	-----	N
3.9	Mercury	-----	Y
3.10	Selenium	-----	N
3.11	Silver	-----	N
3.12	Zinc	-----	N
3.13	Aluminum	-----	N
3.14	Asbestos	-----	N
3.15	EPA Method 200.7	-----	Y
3.16	EPA Method 200.8 (Unregulated Elements and Lead Only)	-----	N
3.17	Antimony	-----	N
3.18	Beryllium	-----	N
3.19	Nickel	-----	N
3.20	Thallium	-----	Y
<u>4 Organic Chemistry of Drinking Water (measurement by GC/MS combination) (01-26-90)</u>			
4.1	EPA Method 501.3	-----	N
4.2	EPA Method 524.2	-----	Y
4.3	EPA Method 525	-----	N
4.4	EPA Method 513	-----	N
<u>5 Organic Chemistry of Drinking Water (excluding measurements by GC/MS combination) (01-13-93)</u>			
5.1	EPA Method 501.1	-----	N
5.2	EPA Method 501.2	-----	N
5.3	EPA Method 502.1	-----	Y
5.4	EPA Method 502.2	-----	Y
5.5	EPA Method 503.1	-----	Y
5.6	EPA Method 504	-----	N
5.7	EPA Method 505	-----	N
5.8	EPA Method 506	-----	N
5.9	EPA Method 507	-----	N
5.10	EPA Method 508	-----	N
5.11	EPA Method 508A	-----	N
5.12	EPA Method 510.1	-----	N
5.13	EPA Method 515.1	-----	N
5.14	EPA Method 531.1	-----	N
5.15	EPA Method 547	-----	N
5.16	EPA Method 548	-----	N
5.17	EPA Method 549	-----	N
5.18	EPA Method 550	-----	N
5.19	EPA Method 550.1	-----	N
5.20	EPA Method 551	-----	N
5.21	EPA Method 552	-----	N



6 Radiochemistry (-----)

6.1	Gross Alpha and Beta Radiation -----	N	6.11	Gross Alpha by Co-precipitation -----	N
6.2	Total Radium -----	N	6.12	Radium 228 -----	N
6.3	Radium 226 -----	N	6.13	Radioactive Iodine -----	N
6.4	Uranium -----	N	6.14	Gross Alpha & Beta in Hazardous Wastes --	N
6.5	Radon 222 -----	N	6.15	Alpha Emitting Radium Isotopes in Haz. Wastes -----	N
6.6	Radioactive Cesium -----	N	6.16	Radium 228 in Hazardous Wastes -----	N
6.7	Iodine 131 -----	N			
6.8	Radioactive Strontium -----	N			
6.9	Tritium -----	N			
6.10	Gamma and Photon Emitters -----	N			

7 Shellfish Sanitation (-----)

7.1	Shellfish meat Microbiology -----	N
7.2	Paralytic Shellfish Poison -----	N
7.3	Domoic Acid -----	N

8 Aquatic Toxicity Bioassays (-----)

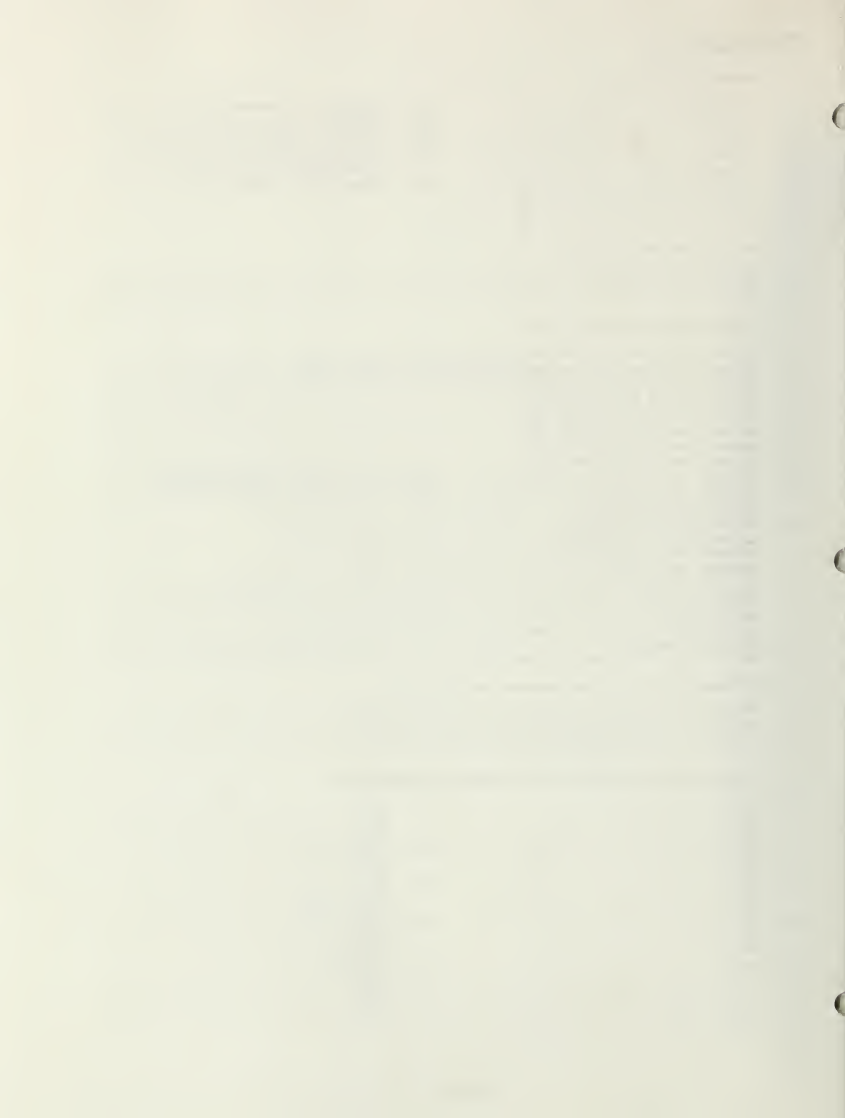
8.1	Hazardous Waste Aquatic Toxicity Bioassay (Title 22, CCR, 66261.24(a)(6)) -----	N
8.2	Wastewater Testing According to Kopperdahl (1976) using Freshwater Fish. -----	N
8.3	Wastewater Testing According to EPA/600/4-85/013 using Freshwater and/or Marine Organisms -----	N
8.4	Wastewater Testing by EPA Method 1000.0 -----	N
8.5	Wastewater Testing by EPA Method 1002.0 -----	N
8.6	Wastewater Testing by EPA Method 1003.0 -----	N
8.7	Wastewater Testing by EPA Method 1006 -----	N
8.8	Wastewater Testing by EPA Method 1007 -----	N
8.9	Wastewater Testing by EPA Method 1009 -----	N
8.10	Wastewater Testing According to Anderson, et. al. (1990) using Giant Kelp (<i>Macrocystis pyrifera</i>) --	N
8.11	Wastewater Testing According to Anderson, et. al. (1990) using Red Abalone (<i>Haliotis rufescens</i>) --	N
8.12	Wastewater Testing According to Dinnel and Stober (1987) using Purple Sea Urchin (<i>Strongylocentrotus purpuratus</i>) -----	N
8.13	Wastewater Testing According to Dinnel and Stober (1987) using Red Sea Urchin (<i>Strongylocentrotus franciscanus</i>) -----	N
8.14	Wastewater Testing According to Dinnel and Stober (1987) using Sand Dollar (<i>Pandaster excentricus</i>) -----	N
8.15	Wastewater Testing According to procedure E 724-89 (ASTM, 1989) using Pacific Oyster (<i>Crassostrea gigas</i>) -----	N
8.16	Wastewater Testing According to procedure E 724-89 (ASTM, 1989) using California Bay Mussel (<i>Mytilus edulis</i>) -----	N
8.17	Wastewater Testing According to Standard Methods (APHA, 1989) using an alga (<i>Skeletonema costatum</i>) -----	N
8.18	Wastewater Testing According to EPA/600/4-90/027 using Freshwater and/or Marine Organisms -----	N

9 Physical Properties Testing of Hazardous Waste (04-11-91)

9.1	Ignitability by Flashpoint determination (Title 22, CCR, 66261.21) -----	Y
9.2	Corrosivity - pH determination (Title 22, CCR, 66261.22) -----	Y
9.3	Corrosivity - Corrosivity towards steel (Title 22, CCR, 66261.22) -----	N
9.4	Reactivity (Title 22, CCR, 66261.23) -----	Y

10 Inorganic Chemistry and Toxic Chemical Elements of Hazardous Waste

10.1	Antimony 7040(-----) -----	N	10.7	Cobalt 7200(-----) -----	N
	7041(-----) -----	N		7201(-----) -----	N
10.2	Arsenic 7060(12-22-95) -----	Y	10.8	Copper 7210(01-09-90) -----	Y
	7061(-----) -----	N		7211(-----) -----	N
10.3	Barium 7080(-----) -----	N	10.9	Lead 7420(01-09-90) -----	Y
	7081(-----) -----	N		7421(12-22-95) -----	Y
10.4	Beryllium 7090(-----) -----	N	10.10	Mercury 7470(-----) -----	N
	7091(-----) -----	N		7471(05-13-94) -----	Y
10.5	Cadmium 7130(-----) -----	N	10.11	Molybdenum 7480(-----) -----	N
	7131(-----) -----	N		7481(-----) -----	N
10.6	Chromium, total 7190(-----) -----	N	10.12	Nickel 7520(-----) -----	N
	7191(-----) -----	N			



10.13	Selenium		
	7740(-----)	N	
	7741(12-22-95)	Y	
10.14	Silver		
	7760(-----)	N	
	7761(-----)	N	
10.15	Thallium		
	7840(-----)	N	
	7841(12-22-95)	Y	
10.16	Vanadium		
	7910(-----)	N	
	7911(-----)	N	
10.17	Zinc		
	7950(-----)	N	
	7951(-----)	N	
10.18	Chromium (VI)		
	7195(-----)	N	
	7196(04-11-91)	Y	
	7197(-----)	N	
	7198(-----)	N	
11	<u>Extraction Tests of Hazardous Waste (04-11-91)</u>		
11.1	California Waste Extraction Test (WET) (Title 22, CCR, 66261.100, Appendix II)	Y	
11.2	Extraction Procedure Toxicity	Y	
11.3	Toxicity Characteristic Leaching Procedure (TCLP) All Classes	Y	
11.4	Toxicity Characteristic Leaching Procedure (TCLP) Inorganics Only	N	
11.5	Toxicity Characteristic Leaching Procedure (TCLP) Extractables Only	N	
11.6	Toxicity Characteristic Leaching Procedure (TCLP) Volatiles Only	N	
12	<u>Organic Chemistry of Hazardous Waste (measurement by GC/MS combination)</u>		
12.1	EPA Method 8240(04-05-89)	Y	
12.2	EPA Method 8250(-----)	N	
12.3	EPA method 8270(04-05-89)	Y	
12.4	EPA Method 8280(-----)	N	
12.5	EPA Method 8290(-----)	N	
12.6	EPA Method 8260(01-13-93)	Y	
13	<u>Organic Chemistry of Hazardous Waste (excluding measurements by GC/MS combination)</u>		
13.1	EPA Method 8010(03-18-88)	Y	
13.2	EPA Method 8015(03-18-88)	Y	
13.3	EPA Method 8020(03-18-88)	Y	
13.4	EPA Method 8030(-----)	N	
13.5	EPA Method 8040(03-18-88)	Y	
13.6	EPA Method 8060(-----)	N	
13.7	EPA Method 8080(03-18-88)	Y	
13.8	EPA Method 8090(-----)	N	
13.9	EPA Method 8100(01-13-93)	Y	
13.10	EPA Method 8120(-----)	N	
13.11	EPA Method 8140(-----)	N	
13.12	EPA Method 8150(-----)	N	
14	<u>Bulk Asbestos Analysis (-----)</u>		
14.1	1% or Greater Asbestos Concentrations (Title 22, CCR, 66261.24(a)(2)(A))	N	
15	<u>Substances Regulated Under the California Safe Drinking Water and Toxic Enforcement Act (Proposition 65) and Not Included in Other Listed Groups</u>		
16	<u>Wastewater Inorganic Chemistry, Nutrients and Demand (04-11-91)</u>		
16.1	Acidity	N	
16.2	Alkalinity	N	
16.3	Ammonia	N	
16.4	Biochemical Oxygen Demand	N	
16.5	Boron	Y	
16.6	Bromide	N	
16.7	Calcium	Y	
16.8	cBOD	N	
16.9	Chemical Oxygen Demand	N	
16.10	Chloride	N	
16.11	Chlorine Residual, total	N	
16.12	Cyanide	N	
10.19	Cyanide		
	9010(01-13-93)	Y	
10.20	Fluoride		
	300.0(-----)	N	
	340.1(-----)	N	
	340.2(-----)	N	
	340.3(-----)	N	
10.21	Sulfide		
	9030(05-06-94)	Y	
10.22	Total Organic Lead		
	(-----)	N	
10.23	EPA Method 6010(01-13-93)	Y	
10.24	EPA Method 6020(-----)	N	
13.13	EPA Method 8310(06-03-96)	Y	
13.14	EPA Method 632 (-----)	N	
13.15	Total Petroleum Hydrocarbons (LUFT Manual) (03-18-88)	Y	
13.16	EPA Method 8011(-----)	N	
13.17	EPA Method 8021(-----)	N	
13.18	EPA Method 8070(-----)	N	
13.19	EPA Method 8110(-----)	N	
13.20	EPA Method 8141(-----)	N	
13.21	EPA Method 8330(06-03-96)	Y	
16.13	Cyanide amenable to Chlorination	N	
16.14	Fluoride	N	
16.15	Hardness	N	
16.16	Kjeldahl Nitrogen	N	
16.17	Magnesium	Y	
16.18	Nitrate	N	
16.19	Nitrite	N	
16.20	Oil and Grease	Y	
16.21	Organic Carbon	N	
16.22	Oxygen, Dissolved	N	



16.23	pH	-----	Y	16.39	Surfactants (MBAS)	-----	N
16.24	Phenols	-----	N	16.40	Tannin and Lignin	-----	N
16.25	Phosphate, ortho-	-----	N	16.41	Turbidity	-----	N
16.26	Phosphorus, total	-----	N	16.42	Iron (Colorimetric Only)	-----	N
16.27	Potassium	-----	Y	16.43	Manganese (Colorimetric Only)	-----	N
16.28	Residue, Total	-----	N	16.44	Total Recoverable	-----	N
16.29	Residue, Filterable (TDS)	-----	N		Petroleum Hydrocarbons	-----	Y
16.30	Residue, Nonfilterable (TSS)	-----	N	16.45	Total Organic Halides	-----	N
16.31	Residue, Settleable (SS)	-----	N				
16.32	Residue, Volatile	-----	N				
16.33	Silica	-----	Y				
16.34	Sodium	-----	Y				
16.35	Specific Conductance	-----	Y				
16.36	Sulfate	-----	N				
16.37	Sulfide (includes total & soluble)	-----	N				
16.38	Sulfite	-----	N				

17 Toxic Chemical Elements in Wastewater (04-11-91)

17.1	Aluminum	-----	N	17.18	Nickel	-----	N
17.2	Antimony	-----	N	17.19	Osmium	-----	N
17.3	Arsenic	-----	Y	17.20	Palladium	-----	N
17.4	Barium	-----	N	17.21	Platinum	-----	N
17.5	Beryllium	-----	N	17.22	Rhodium	-----	N
17.6	Cadmium	-----	N	17.23	Ruthenium	-----	N
17.7	Chromium (VI)	-----	N	17.24	Selenium	-----	Y
17.8	Chromium, total	-----	N	17.25	Silver	-----	N
17.9	Cobalt	-----	N	17.26	Strontium	-----	N
17.10	Copper	-----	Y	17.27	Thallium	-----	N
17.11	Gold	-----	N	17.28	Tin	-----	N
17.12	Iridium	-----	N	17.29	Titanium	-----	N
17.13	Iron	-----	N	17.30	Vanadium	-----	N
17.14	Lead	-----	Y	17.31	Zinc	-----	Y
17.15	Manganese	-----	N	17.32	EPA Method 200.7	-----	Y
17.16	Mercury	-----	Y	17.33	EPA Method 200.8	-----	N
17.17	Molybdenum	-----	N	17.34	DCP	-----	N
				17.35	Asbestos	-----	N

18 Organic Chemistry of Wastewater (measurements by GC/MS combination) (01-26-90)

18.1	EPA Method 624	-----	Y
18.2	EPA Method 625	-----	Y
18.3	EPA Method 1613	-----	N
18.4	EPA Method 1625	-----	N
18.5	EPA Method 613	-----	N

19 Organic Chemistry of Wastewater (excluding measurements by GC/MS combination) (04-11-91)

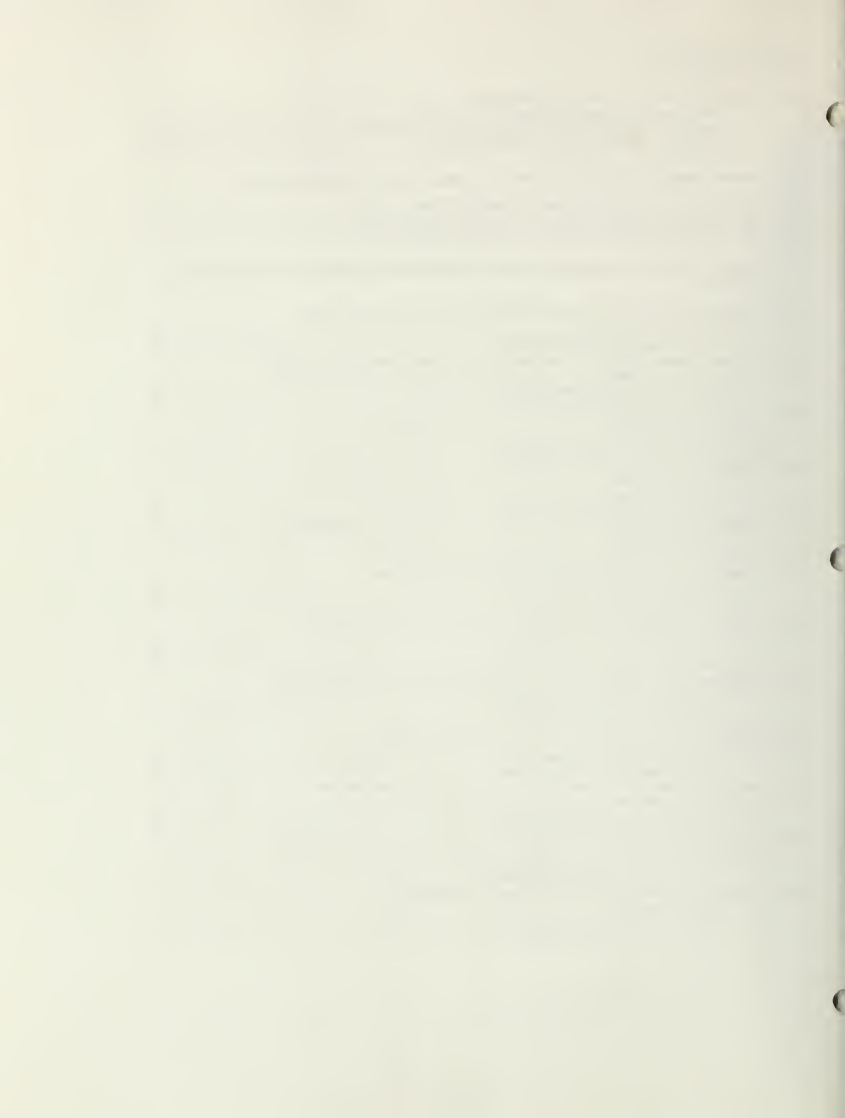
19.1	EPA Method 601	-----	Y	19.8	EPA Method 608	-----	Y
19.2	EPA Method 602	-----	Y	19.9	EPA Method 609	-----	N
19.3	EPA Method 603	-----	N	19.10	EPA Method 610	-----	N
19.4	EPA Method 604	-----	Y	19.11	EPA Method 611	-----	N
19.5	EPA Method 605	-----	N	19.12	EPA Method 632	-----	N
19.6	EPA Method 606	-----	N	19.13	EPA Method 619	-----	N
19.7	EPA Method 607	-----	N				

20 Inorganic Chemistry and Toxic Chemical Elements of Pesticide Residues in Food (-----)

20.1	Processed Foods by One of the Following Methods	-----	N
	Atomic Absorption Spectrophotometry	-----	N
	Inductively Coupled Plasma Atomic Emission Spectrophotometry	-----	N
	Inductively Coupled Plasma/Mass Spectrometry	-----	N
	Colorimetry	-----	N
20.2	Raw Commodities by One of the Following Methods	-----	N
	Atomic Absorption Spectrophotometry	-----	N
	Inductively Coupled Plasma Atomic Emission Spectrophotometry	-----	N
	Inductively Coupled Plasma/Mass Spectrometry	-----	N
	Colorimetric	-----	N
20.3	Dairy Products by One of the Following Methods	-----	N
	Atomic Absorption Spectrophotometry	-----	N
	Inductively Coupled Plasma Atomic Emission Spectrophotometry	-----	N
	Inductively Coupled Plasma/Mass Spectrometry	-----	N
	Colorimetry	-----	N



20.4	Feed Products by One of the Following Methods	
	Atomic Absorption Spectrophotometry	N
	Inductively Coupled Plasma Atomic Emission Spectrophotometry	N
	Inductively Coupled Plasma/Mass Spectrometry	N
	Colorimetry	N
21	<u>Organic Chemistry of Pesticide Residues in Food (measurements by GC/MS) (-----)</u>	
21.1	Gas Chromatographic/Mass Spectrometric Methods in Processed Foods	N
21.2	Gas Chromatographic/Mass Spectrometric Methods in Raw Commodities	N
21.3	Gas Chromatographic/Mass Spectrometric Methods in Dairy Products	N
21.4	Gas Chromatographic/Mass Spectrometric Methods in Feed Products	N
22	<u>Organic Chemistry of Pesticide Residues in Food (Excluding Measurement by GC/MS Combination) (-----)</u>	
22.1	Halogenated Compounds in Processed Foods by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.2	Organophosphorous Compounds in Processed Foods by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.3	Carbamates in Processed Foods by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.4	Halogenated Compounds in Raw Commodities by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.5	Organophosphorous Compounds in Raw Commodities by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.6	Carbamates in Raw Commodities by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.7	Halogenated Compounds in Dairy Products by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.8	Organophosphorous Compounds in Dairy Products by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.9	Carbamates in Dairy Products by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.10	Halogenated Compounds in Feed Products by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.11	Organophosphorous Compounds in Feed Products by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N
22.12	Carbamates in Feed Products by One of the Following Methods	
	Gas Chromatography	N
	High Pressure Liquid Chromatography	N
	Liquid Chromatography/Mass Spectrometry	N





REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS — MRD
HTRW MANDATORY CENTER OF EXPERTISE
12565 WEST CENTER ROAD
OMAHA, NEBRASKA 68144-3869



December 6, 1996

Hazardous, Toxic and Radioactive Waste
Center of Expertise

Chromalab, Inc.
1220 Quarry Lane, #C
Pleasanton, California 94566-4756

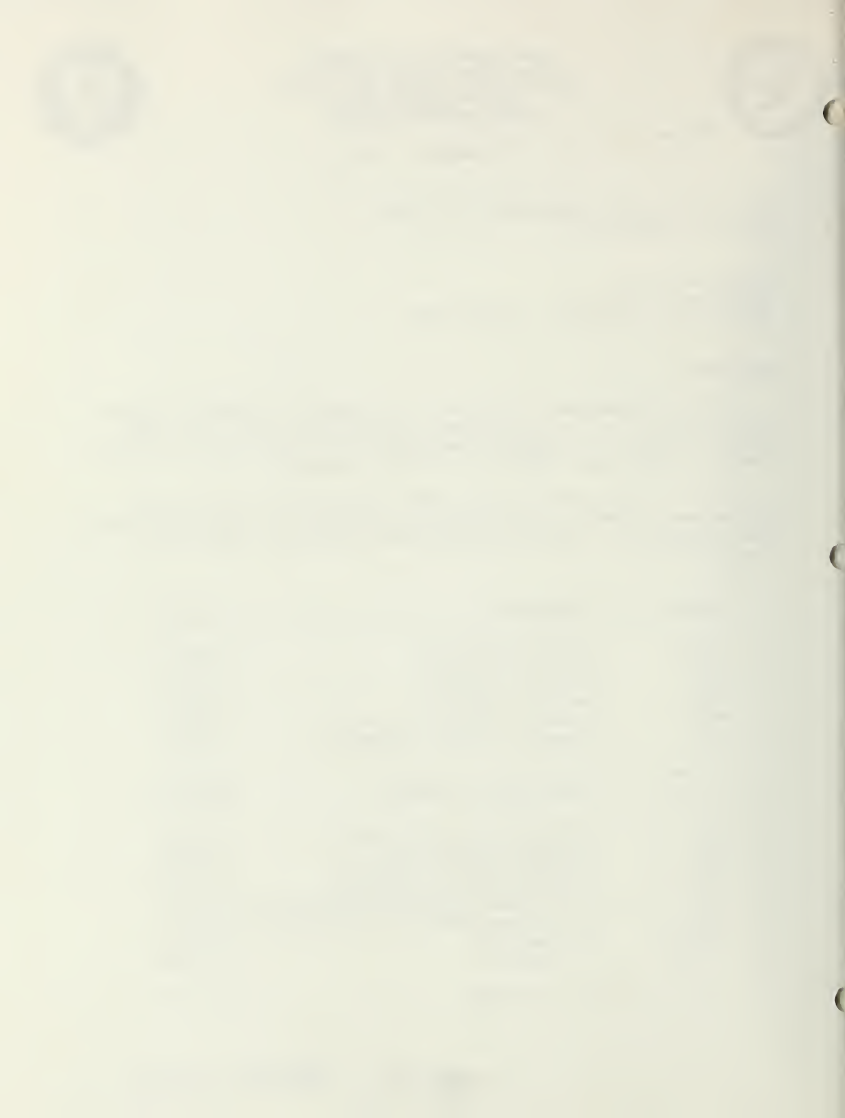
Gentlemen:

This correspondence addresses the ongoing validation status of Chromalab, Inc. of Pleasanton, California by the U.S. Army Corps of Engineers (USACE) Hazardous, Toxic and Radioactive Waste Center of Expertise (HTRW CX) for HTRW analysis.

With the inclusion of the recent successful analysis for Polynuclear Aromatic Hydrocarbons by Method 8310, your laboratory has successfully analyzed performance evaluation samples as listed below:

METHOD	PARAMETERS	MATRIX
8260A	Volatile Organics	Water ⁽³⁾
8260A	Volatile Organics	Solids
8021	Volatile Organics	Water ⁽³⁾
8021	Volatile Organics	Solids
8020	Aromatic Volatile Organics	Water ⁽³⁾
8020	Aromatic Volatile Organics	Solids
8270A	Semivolatile Organics	Water ⁽³⁾
8270A	Semivolatile Organics	Solids ⁽³⁾
8081	Organochlorine Pesticides	Water ⁽³⁾
8081	Organochlorine Pesticides	Solids
8081	Polychlorinated Biphenyls	Water ⁽³⁾
8081	Polychlorinated Biphenyls	Solids ⁽³⁾
8310	Polynuclear Aromatic Hydrocarbons	Water ⁽³⁾
8310	Polynuclear Aromatic Hydrocarbons	Solids
SW-846	TAL Metals ⁽¹⁾	Water ⁽³⁾
SW-846	TAL Metals ⁽¹⁾	Solids ⁽³⁾
413.1	Oil & Grease	Water ⁽³⁾

REC'D DEC 16 1996



**MICRO ANALYTICAL LABORATORIES
(PRIMARY LABORATORY)**

SCHEDULE OF VALUES AND CERTIFICATION



Micro Analytical Laboratories, Inc.

1998 Price Schedule For

Geomatrix

Effective 7/15/98

Total Lead By Atomic Absorption Spectroscopy (Flame or Furnace)

	<u>3-10 Days</u>	<u>24 Hours</u>	<u>Rush</u> (Priority or Overnight Response)
Paint Chips	13.00	15.00	20.00
Soil / Solid Waste	13.00	15.00	20.00
Dust Wipes	13.00	15.00	20.00
Air Filters	13.00	15.00	20.00
Drinking Water	15.00	15.00	

Total Metals by ICP - Solids, Water, Air Filters

	<u>10 Days</u>	<u>3-5 Days</u>	<u>24 Hours</u>
First Metal	35.00	35.00	35.00
Each Additional Metal	10.00	10.00	10.00
RCRA 8 Metals	140.00	185.00	
CAM 17 Metals (CA Title 22)	230.00	275.00	

Mercury by Cold Vapor AA - Solids, Water, Air Filters

Mercury Analysis	35.00	45.00
------------------	-------	-------

Extraction and Analysis - Hazardous Waste Characterization*

	<u>10 Days</u>	<u>3-5 Days</u>
TCLP (Single Metal)	75.00	75.00
STLC (Single Metal)	75.00	75.00

*Extraction preparation for STLC or TCLP on multiple metals: \$75.00 per sample.
For analysis, see total metals and mercury prices.

5900 Hollis Street, Suite M
Emeryville, California 94608
(510) 653-0824 (510) 653-1361 Fax

1786 - 18th Street, Suite A
San Francisco, California 94107
(415) 522-5890 (415) 522-5892 Fax

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

1950

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Micro Analytical Laboratories, Inc.

1998 Price Schedule

Submitted To
Geomatrix

Effective 7/15/98

Asbestos by Transmission Electron Microscopy (TEM)

	<u>3-5 Days</u>	<u>24 Hours</u>	<u>Rush</u> (Priority or Overnight)
AHERA Analysis	75.00	100.00	125.00
Yamate II (Modified)	75.00	100.00	125.00
NIOSH 7402	100.00	125.00	150.00

3-10 Days

Bulk/Dust (Qualitative)	75.00
Bulk (Semi-Quantitative)	125.00
Bulk (Weight %)	250.00
Microvacuum (Structures)	175.00
Drinking Water	150.00

Asbestos by Polarized Light Microscopy (PLM)

	<u>Normal</u>	<u>Rush</u> (Priority or Overnight)
Bulk Sample (EPA Method)	12.00	15.00
Point Count (400 Pts.)	75.00	
Matrix Reduction Prep.	50.00	

Additional layers on roofing samples: \$5.00 each.

Fiber Count by Phase Contrast Microscopy (PCM)

	<u>Normal</u>	<u>Rush</u> (Priority or Overnight)
Air Sample (NIOSH 7400 Method)	10.00	12.00

Nuisance Dust Analysis (Total or Respirable)

	<u>Normal</u>	<u>Rush</u> (Priority or Overnight)
Filter Sample (NIOSH 500 or 600)	12.00	15.00

5900 Hollis Street, Suite M
Emeryville, California 94608
(510) 653-0824 (510) 653-1361 Fax

1786 - 18th Street, Suite A
San Francisco, California 94107
(415) 522-5890 (415) 522-5892 Fax

ORIGINAL ARTICLES

THE EFFECT OF VITAMIN DEFICIENCY ON THE GROWTH OF THE RAT

Group	Age	Sex	Weight (gms.)	Length (mm.)	Survival (%)
1	10 days	Male	10.0	100	100
2	10 days	Female	10.0	100	100
3	10 days	Male	10.0	100	100
4	10 days	Female	10.0	100	100
5	10 days	Male	10.0	100	100
6	10 days	Female	10.0	100	100
7	10 days	Male	10.0	100	100
8	10 days	Female	10.0	100	100
9	10 days	Male	10.0	100	100
10	10 days	Female	10.0	100	100
11	10 days	Male	10.0	100	100
12	10 days	Female	10.0	100	100
13	10 days	Male	10.0	100	100
14	10 days	Female	10.0	100	100
15	10 days	Male	10.0	100	100
16	10 days	Female	10.0	100	100
17	10 days	Male	10.0	100	100
18	10 days	Female	10.0	100	100
19	10 days	Male	10.0	100	100
20	10 days	Female	10.0	100	100

THE EFFECT OF VITAMIN DEFICIENCY ON THE GROWTH OF THE RAT

Group	Age	Sex	Weight (gms.)	Length (mm.)	Survival (%)
21	10 days	Male	10.0	100	100
22	10 days	Female	10.0	100	100
23	10 days	Male	10.0	100	100
24	10 days	Female	10.0	100	100
25	10 days	Male	10.0	100	100
26	10 days	Female	10.0	100	100
27	10 days	Male	10.0	100	100
28	10 days	Female	10.0	100	100
29	10 days	Male	10.0	100	100
30	10 days	Female	10.0	100	100

THE EFFECT OF VITAMIN DEFICIENCY ON THE GROWTH OF THE RAT

Group	Age	Sex	Weight (gms.)	Length (mm.)	Survival (%)
31	10 days	Male	10.0	100	100
32	10 days	Female	10.0	100	100
33	10 days	Male	10.0	100	100
34	10 days	Female	10.0	100	100
35	10 days	Male	10.0	100	100
36	10 days	Female	10.0	100	100

THE EFFECT OF VITAMIN DEFICIENCY ON THE GROWTH OF THE RAT

Group	Age	Sex	Weight (gms.)	Length (mm.)	Survival (%)
37	10 days	Male	10.0	100	100
38	10 days	Female	10.0	100	100
39	10 days	Male	10.0	100	100
40	10 days	Female	10.0	100	100

THE EFFECT OF VITAMIN DEFICIENCY ON THE GROWTH OF THE RAT

DEPARTMENT OF HEALTH SERVICES

2151 BERKELEY WAY
BERKELEY, CA 94704-1011
(510)540-2800

September 20, 1996



Franco P. Raviola
Micro Analytical Laboratories, Inc.
San Francisco Office
5900 Hollis Street, Suite M
Emeryville, CA 94608-0000

Certificate No.: 2149

Dear Mr. Raviola:

This is to advise you that the laboratory named above has been certified as an environmental testing laboratory pursuant to the provisions of the California Environmental Laboratory Improvement Act of 1988 (Health and Safety Code, Division 1, Part 2, Chapter 7.5, commencing with Section 100825).

The fields of testing for which this laboratory has been certified under this Act are indicated in the enclosed "List of Approved Fields of Testing and Analytes." Certification shall remain in effect until September 30, 1998 unless revoked. This certificate is subject to an **annual fee** as prescribed by Section 100860(a), Health and Safety Code, on the anniversary date of the certificate. Your application for renewal must be received 90 days before the expiration of your certificate to remain in force according to the California Code of Regulations, Title 22, Division 4, Chapter 19, Sections 64801 through 64827.

Please note that your laboratory is required to notify the Environmental Laboratory Accreditation Program of any major changes in the laboratory such as the transfer of ownership, change of laboratory director, change in location, or structural alterations which may affect adversely the quality of analyses (Section 100845(b), California Health & Safety Code).

Your continued cooperation is essential in order to establish a reputation for the high quality of the data produced by environmental laboratories certified by the State of California.

If you have additional questions, please contact Nelson Lan at (510) 540-2800.

Sincerely,

A handwritten signature in cursive script, reading "George C. Kulasingam".

George C. Kulasingam, Ph.D., Manager
Environmental Laboratory
Accreditation Program

Enclosure



CALIFORNIA DEPARTMENT OF HEALTH SERVICES
ENVIRONMENTAL LABORATORY ACCREDITATION PROGRAM
List of Approved Fields of Testing and Analytes

Micro Analytical Laboratories, Inc.
1786 - 18th Street, Suite A
San Francisco, CA 94107-2343

TELEPHONE No: (415) 522-5890
CALIFORNIA COUNTY: San Francisco

CERTIFICATE NUMBER: 2149
EXPIRATION DATE: 9/30/98

=====

14 Bulk Asbestos Analysis

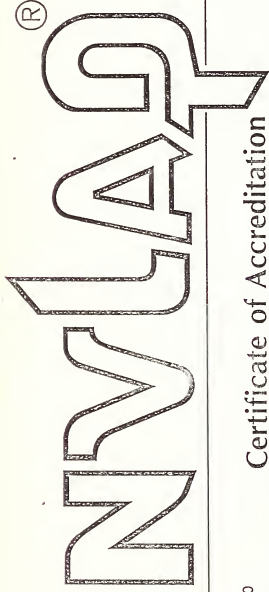
14.1 1% or Greater Asbestos Concentrations (Title 22, CCR, 66261.24(a)(2)(A))

.....

(092096)



United States Department of Commerce
National Institute of Standards and Technology



ISO/IEC GUIDE 25:1990
ISO 9002:1987



MICRO ANALYTICAL LABORATORIES, INC.
SAN FRANCISCO, CA

is recognized under the National Voluntary Laboratory Accreditation Program for satisfactory compliance with criteria established in Title 15, Part 285 Code of Federal Regulations. These criteria encompass the requirements of ISO/IEC Guide 25 and the relevant requirements of ISO 9002 (ANSI/ASQC Q92-1987) as suppliers of calibration or test results. Accreditation is awarded for specific services, listed on the Scope of Accreditation for:

BULK ASBESTOS FIBER ANALYSIS

September 30, 1998

Effective through

For the National Institute of Standards and Technology

NVLAP Lab Code: 200054-0



QALIM



ISO/IEC GUIDE 25:1990
ISO 9002:1987

Scope of Accreditation



Revised Scope 03/11/1998

BULK ASBESTOS FIBER ANALYSIS

Page: 1 of 1

NVLAP LAB CODE 200054-0

MICRO ANALYTICAL LABORATORIES, INC.

1786 - 18th Street, Suite A
San Francisco, CA 94107-2343

Mr. Frank Raviola

Phone: 510-653-0824 Fax: 510-653-1361

NVLAP Code

18/A01

Designation

U.S. EPA's "Interim Method for the Determination of Asbestos in Bulk Insulation Samples" as found in 40 CFR, Part 763, Subpart F, App. A, or the current U.S. EPA method for the analysis of asbestos in building material.

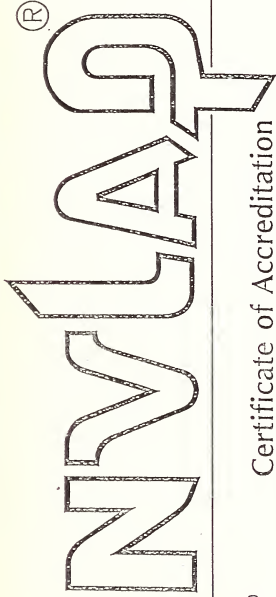
September 30, 1998

Effective through

A handwritten signature in dark ink, appearing to read "John L. Galt". Below the signature is a horizontal line.
For the National Institute of Standards and Technology

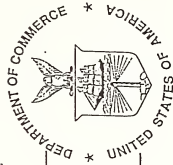


United States Department of Commerce
National Institute of Standards and Technology



ISO/IEC GUIDE 25:1990
ISO 9002:1987

Certificate of Accreditation



MICRO ANALYTICAL LABORATORIES, INC.
EMERYVILLE, CA

is recognized under the National Voluntary Laboratory Accreditation Program for satisfactory compliance with criteria established in Title 15, Part 285 Code of Federal Regulations. These criteria encompass the requirements of ISO/IEC Guide 25 and the relevant requirements of ISO 9002 (ANSI/ASQC Q92-1987) as suppliers of calibration or test results. Accreditation is awarded for specific services, listed on the Scope of Accreditation for:

AIRBORNE ASBESTOS FIBER ANALYSIS

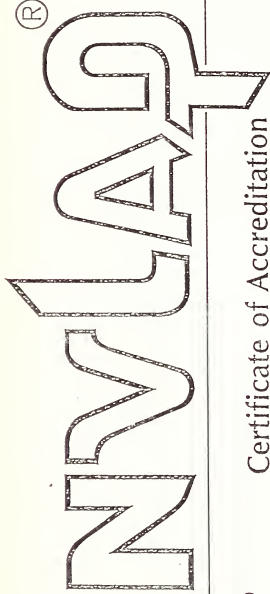
September 30, 1998

Effective through

For the National Institute of Standards and Technology

NVLAP Lab Code: 101872-0

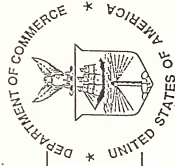
United States Department of Commerce
National Institute of Standards and Technology



ISO/IEC GUIDE 25:1990
ISO 9002:1987

Certificate of Accreditation

MICRO ANALYTICAL LABORATORIES, INC.
EMERYVILLE, CA



is recognized under the National Voluntary Laboratory Accreditation Program for satisfactory compliance with criteria established in Title 15, Part 285 Code of Federal Regulations. These criteria encompass the requirements of ISO/IEC Guide 25 and the relevant requirements of ISO 9002 (ANSI/ASQC Q92-1987) as suppliers of calibration or test results. Accreditation is awarded for specific services, listed on the Scope of Accreditation for:

BULK ASBESTOS FIBER ANALYSIS

September 30, 1998

Effective through

For the National Institute of Standards and Technology

NVLAP Lab Code: 101872-0

STATE OF CALIFORNIA
DEPARTMENT OF HEALTH SERVICES

ENVIRONMENTAL LABORATORY CERTIFICATION

is hereby granted to

MICRO ANALYTICAL LABORATORIES, INC.

5900 HOLLIS STREET, SUITE M
EMERYVILLE, CALIFORNIA

to conduct analyses of environmental samples as specified in the
"List of Approved Fields of Testing and Analytes"
which accompanies this Certificate.

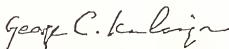
This Certificate is granted in accordance with provisions of Section 1010, et seq.
(New Section 100825) of the Health and Safety Code.

Certificate No.: 1037

Expiration Date: 10/31/1999

Issued on: 10/01/1997

at Berkeley, California,
subject to forfeiture or revocation.



George C. Kulasingam, Ph.D.
Manager
Environmental Laboratory Accreditation Program

DEPARTMENT OF HEALTH SERVICES

2151 BERKELEY WAY
BERKELEY, CA 94704-1011

(510) 540-2800

March 16, 1998



FRANK RAVIOLA
MICRO ANALYTICAL LABORATORIES, INC.
5900 HOLLIS STREET, SUITE M
EMERYVILLE, CA 94608-

Certificate No.: 1037

Dear FRANK RAVIOLA:

This is to advise you that the laboratory named above has been certified as an environmental testing laboratory pursuant to the provisions of the California Environmental Laboratory Improvement Act of 1988 (Health and Safety Code, Division 1, Part 2, Chapter 7.5, commencing with Section 100825).

The Fields of Testing for which this laboratory has been certified under this Act are indicated in the enclosed "List of Approved Fields of Testing and Analytes." Certification shall remain in effect until **October 31, 1999** unless revoked. This certificate is subject to an annual fee as prescribed by Section 100860(a), Health and Safety Code, on **October 31, 1998**. Your application for renewal must be received 90 days before the expiration of your certificate to remain in force according to the California Code of Regulations, Title 22, Division 4, Chapter 19, Section 64801 Through 64827.

Please note that your laboratory is required to notify the Environmental Laboratory Accreditation Program of any major changes in the laboratory such as the transfer of ownership, change of laboratory director, change in location, or structural alterations which may affect adversely the quality of analyses (Section 100845(b) and (d), California Health and Safety Code).

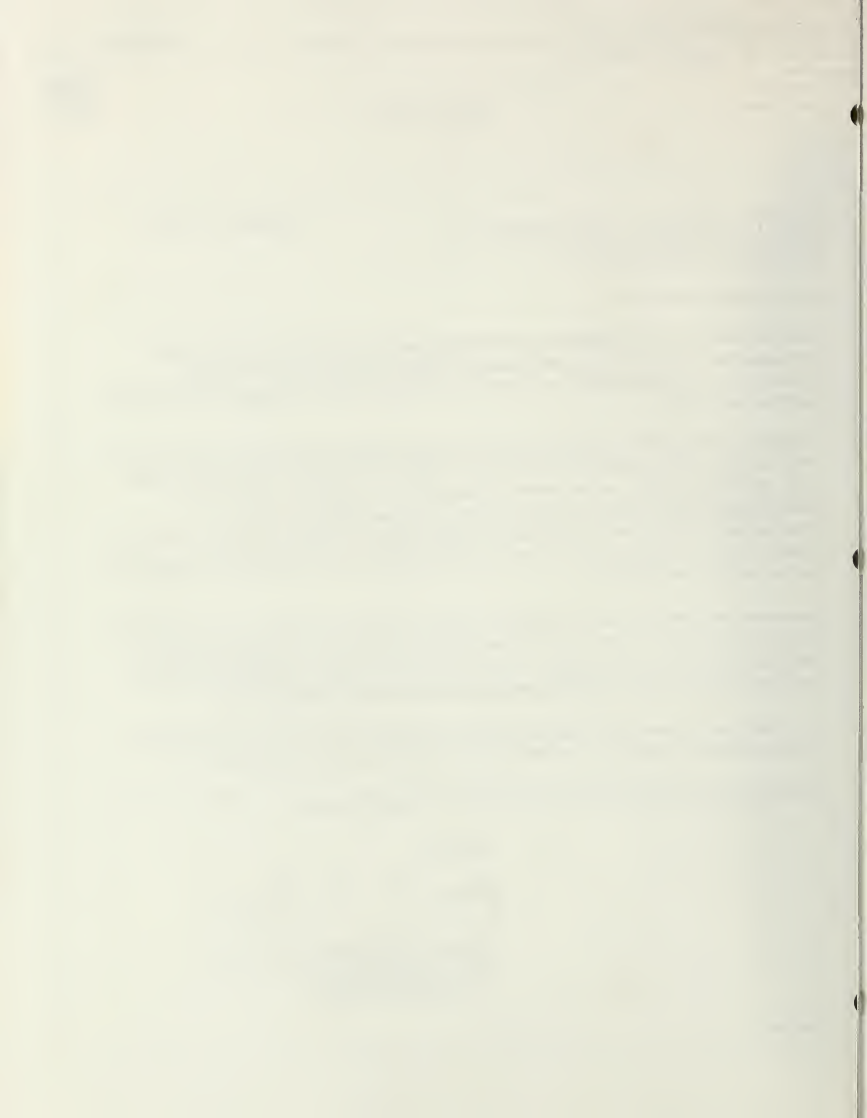
Your continued cooperation is essential in order to establish a reputation for the high quality of the data produced by environmental laboratories certified by the State of California.

If you have any questions, please contact Nelson Lan at (510) 540-2800.

Sincerely,

George C. Kulasingam, Ph.D., Manager
Environmental Laboratory
Accreditation Program

Enclosure



CALIFORNIA DEPARTMENT OF HEALTH SERVICES
ENVIRONMENTAL LABORATORY ACCREDITATION PROGRAM
List of Approved Fields of Testing and Analytes

MICRO ANALYTICAL LABORATORIES, INC.
5900 HOLLIS STREET, SUITE M
EMERYVILLE, CA

PHONE No. (510) 653-0824
COUNTY ALAMEDA

Certificate No. 1037
Expiration Date 10/31/1999

03 Analysis of Toxic Chemical Elements in Drinking Water

03.01 Arsenic
03.02 Barium
03.03 Cadmium
03.04 Chromium, total
03.05 Copper
03.06 Iron
03.07 Lead
03.08 Manganese
03.09 Mercury
03.10 Selenium
03.11 Silver
03.12 Zinc
03.13 Aluminum
03.14 Asbestos
03.15 Antimony
03.16 Beryllium
03.17 Nickel

10 Inorganic Chemistry and Toxic Chemical Elements of Hazardous Waste

10.01 Antimony
10.02 Arsenic
10.03 Barium
10.04 Beryllium
10.05 Cadmium
10.06 Chromium, total
10.07 Cobalt
10.08 Copper
10.09 Lead
10.10 Mercury
10.11 Molybdenum
10.12 Nickel
10.13 Selenium
10.14 Silver
10.15 Thallium
10.16 Vanadium
10.17 Zinc

11 Extraction Tests of Hazardous Waste

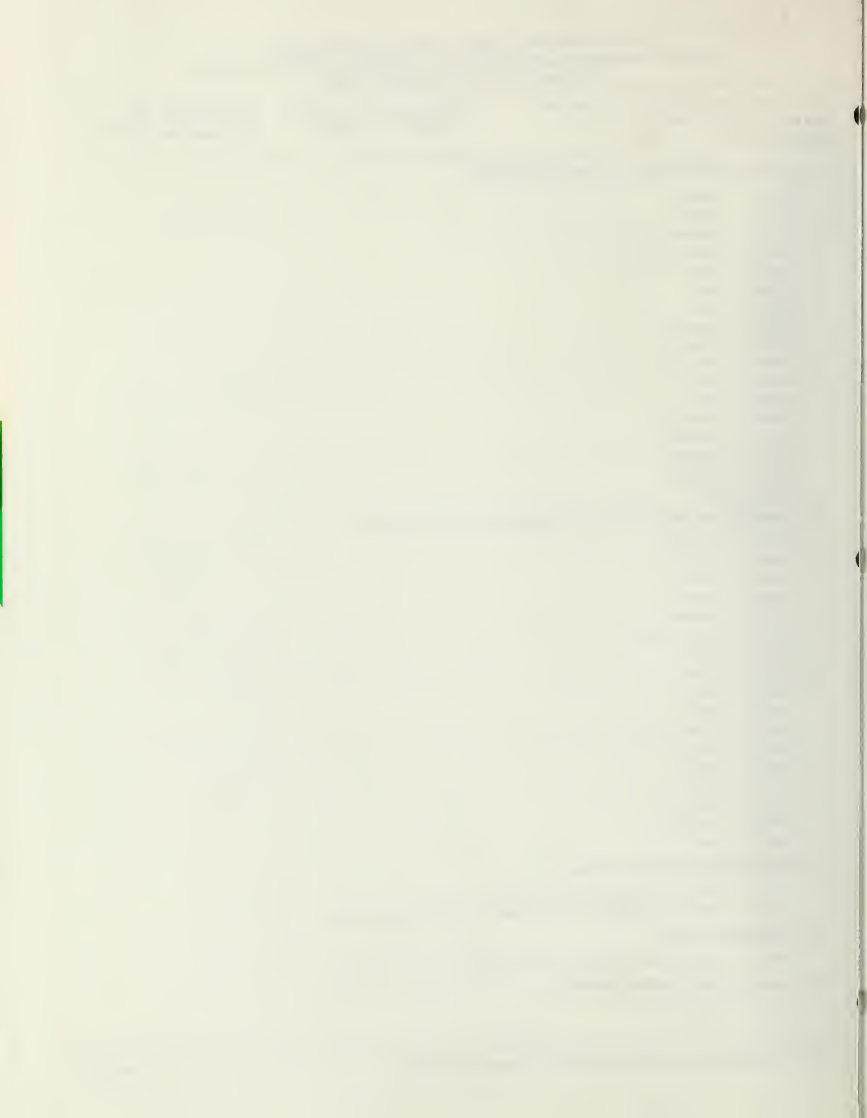
11.01 California Waste Extraction Test (WET)
11.04 Toxicity Characteristic Leaching Procedure (TCLP) Inorganics Only

14 Bulk Asbestos Analysis

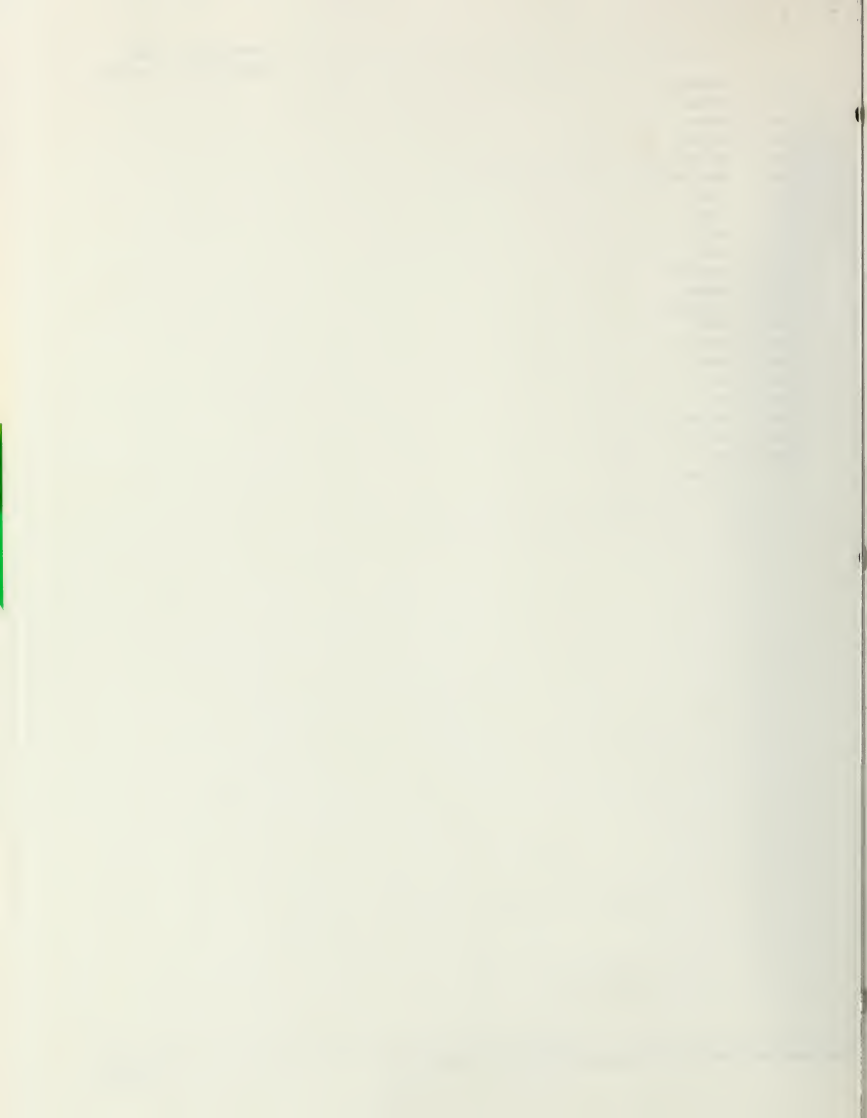
14.01 Bulk Asbestos, 1% or greater Concentrations

17 Toxic Chemical Elements in Wastewater

17.01 Aluminum



17.02	Antimony
17.03	Arsenic
17.04	Barium
17.05	Beryllium
17.06	Cadmium
17.08	Chromium, total
17.09	Cobalt
17.10	Copper
17.13	Iron
17.14	Lead
17.15	Manganese
17.16	Mercury
17.17	Molybdenum
17.18	Nickel
17.24	Selenium
17.25	Silver
17.27	Thallium
17.28	Tin
17.29	Titanium
17.30	Vanadium
17.31	Zinc
17.32	Asbestos



The American Industrial Hygiene Association



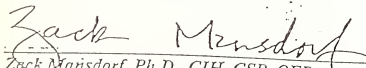
is proud to acknowledge that

Micro Analytical Laboratories, Inc.
Emeryville, CA
Laboratory ID# 11150

*has fulfilled the requirements for Industrial Hygiene Laboratory
Accreditation and has earned distinguished recognition as an*

AIHA IH Accredited Laboratory

*Originally Accredited December 1, 1993, current certificate effective December 1, 1996
until December 1, 1999, subject to continued compliance with AIHA accreditation criteria.*

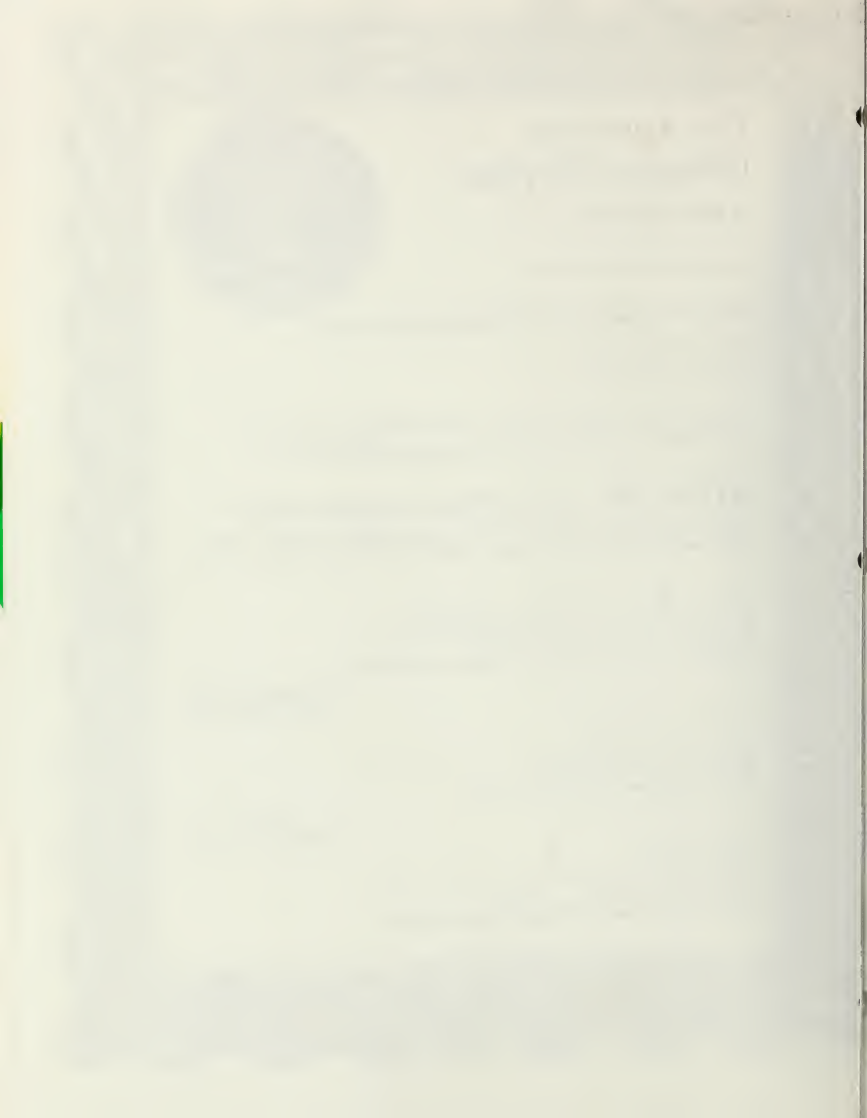

Zack Mansdorf, Ph.D., CIH, CSP, QEP
President, American Industrial Hygiene Association

September 20, 1996
Preparation Date


Donald J. Hart, Ph.D., CIH
Chair, Analytical Accreditation Board

504
Certificate Number


Colleen Becker, CIH
Chair, IH Laboratory Accreditation Committee





THE AMERICAN INDUSTRIAL HYGIENE ASSOCIATION
is proud to acknowledge that

Micro Analytical Laboratories, Inc.
Emeryville, CA
Laboratory ID# 11150

has fulfilled the requirements for the Environmental Lead Laboratory Accreditation
Program and has earned distinguished recognition as an

AIHA ELLAP ACCREDITED LABORATORY

12/01/1996 - 12/01/1999

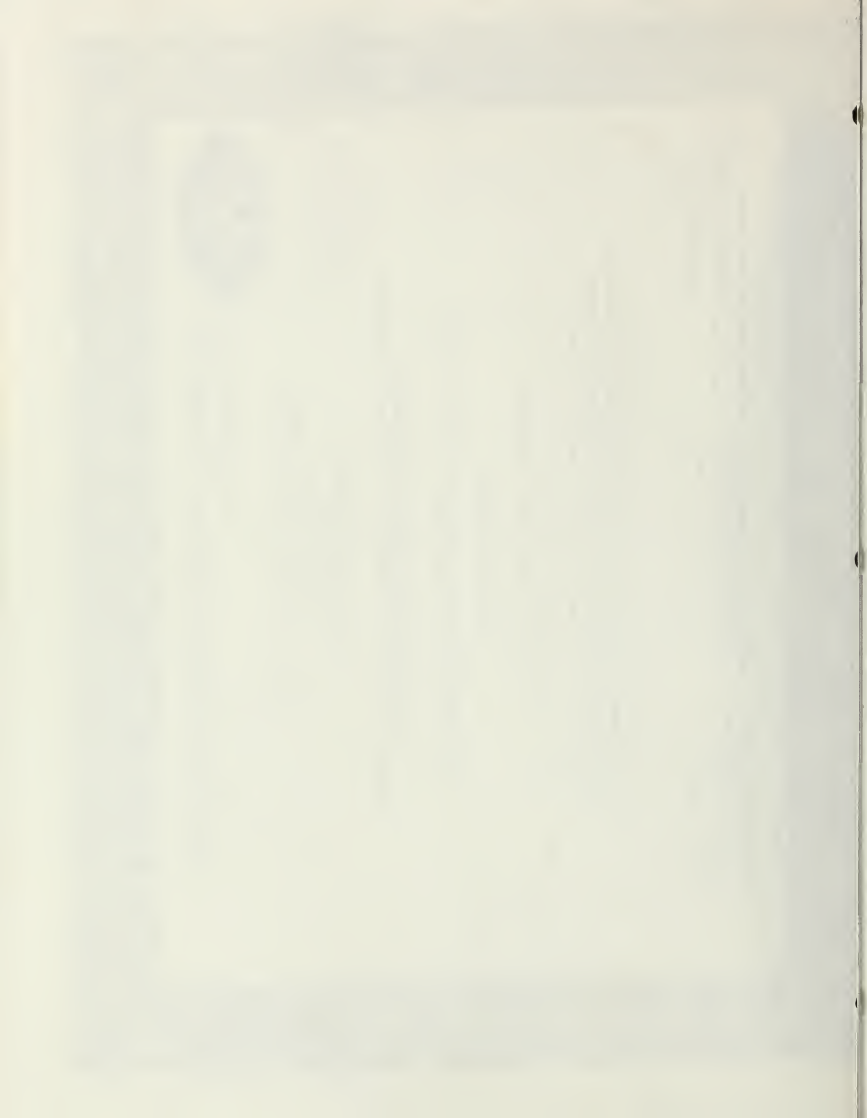
In the following matrices: Paint Soil Dust Air

*This program is recognized by the EPA as meeting the requirements of the
National Lead Laboratory Accreditation Program established under Title X of the
Residential Lead-Based Paint Hazard Reduction Act of 1992 and includes paint, soil and
dust wipe analysis. Air analysis is not included as part of the NLLAP.*

Clayton Burt
D. Jeff Burt, CIH, PE, CSP
President, American Industrial Hygiene Association

Eric L. Botnick
Eric L. Botnick, Chair, Environmental
Lead Laboratory Accreditation Committee

Mark A. Pustan
Mark Pustan, Ph.D., Chair,
Analytical Accreditation Board



APPENDIX C

CONTRACTOR'S AND CONTRACTOR'S EMPLOYEES' INTERESTS IN OTHER CITY CONTRACTS

24th and Utah - Controller's Certification ENCN98000002 -01



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution authorizing the Executive Director to enter into a sublease with Delancey Street Foundation for Buildings 183, 228 and 229

Agenda No. 9

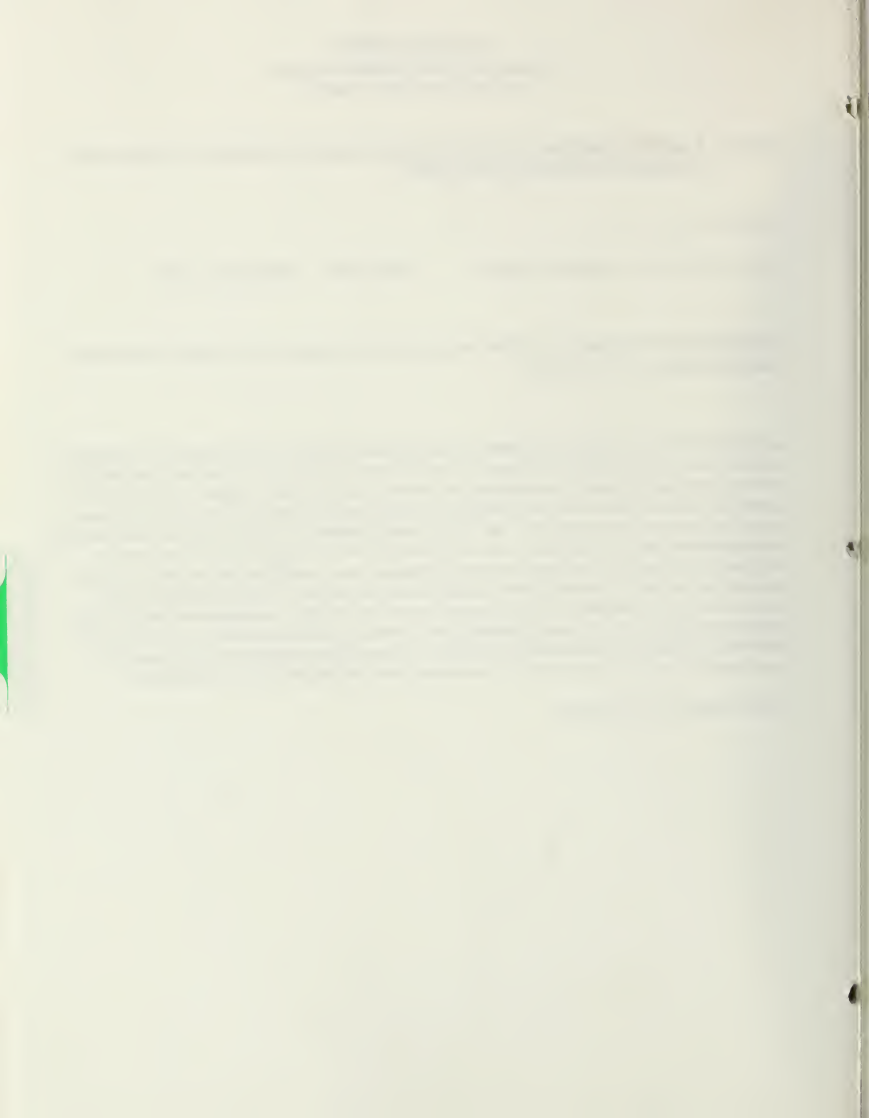
Contact Person/Phone: Annemarie Conroy

Meeting Date: September 16, 1998

SUMMARY OF PROPOSED ACTION: Recommendation of approval for a sublease with Delancey Street for Buildings 183, 228 and 229.

BACKGROUND AND DESCRIPTION OF PROPOSED ACTION: The Authority has negotiated a sublease for use of the premises (Buildings 183 and 298, also known as the "Yacht Club Facilities") as a coffee shop/café serving visitors and residents on Treasure and Yerba Buena islands. The café will be operated by Delancey Street staff and residents of the Life Learning Academy program and will serve as a vocational program for culinary arts. The Youth Center (Building 229) will be used as a Life Learning Academy charter school for academics, arts and performing arts for approximately 60 day-students, comprised of "at-risk" boys and girls from the San Francisco area, as well as approximately 50 "at-risk" girls who will be part of Delancey Street's Youth Residential Program. Delancey Street will make improvements to the premises including upgrades to meet federal seismic standards and applicable San Francisco building codes. Delancey Street will pay all costs of operation including all Common Area Maintenance (CAM) charges assessed by the Navy. The term of the sublease is for two years, with provisions that Delancey Street, under certain circumstances, be granted five one-year options.

ATTACHMENTS: See sublease



1 [Sublease of Buildings 183, 298 and 229]

2 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A SUBLEASE FOR
3 BUILDINGS 183, 228 AND 229 TO DELANCEY STREET FOUNDATION.

4 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No.
5 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public
6 benefit corporation known as the Treasure Island Development Authority (the "Authority") to
7 act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation,
8 reuse and conversion of former Naval Station Treasure Island (the "Base") for the public
9 interest, convenience, welfare and common benefit of the inhabitants of the City and County
10 of San Francisco; and,

11 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
12 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
13 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority
14 as a redevelopment agency under California redevelopment law with authority over the Base
15 upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the
16 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
17 administer the public trust for commerce, navigation and fisheries as to such property;; and,

18 WHEREAS, The Tidelands Trust prohibits the sale of trust property into private
19 ownership, generally requires that Tidelands Trust property be accessible to the public and
20 encourages public-oriented uses of trust property that, among other things, attract people to
21 the waterfront, promote public recreation, protect habitat and preserve open space; and,

22 WHEREAS, In order to facilitate productive reuse and job creation on the Base,
23 the Authority has leased or will lease certain property on the Base, including, without
24 limitation, Buildings 183 and 298 (together, the "Yacht Club Facilities") and Building 229 (the
25 "Youth Center", and together with the Yacht Club Facilities, the "Premises"), from the Navy

1 and, in turn, sublease such Premises to third-parties or use such property for municipal
2 purposes; and,

3 WHEREAS, the Authority and Delancey Street Foundation ("Subtenant") have
4 negotiated the terms and conditions of a sublease (the "Sublease"), a copy of which is
5 attached hereto as Exhibit A, for use of the Premises as follows: (i) Subtenant may use the
6 Yacht Club Facilities as a coffee shop/cafe ("Cafe"), serving the general population of visitors
7 and residents of the Base, which Cafe will be operated by Delancey Street staff and residents
8 of the Life Learning Academy program described on Exhibit B attached hereto, and will serve
9 as a vocational program for culinary arts; and (ii) Subtenant may use the Youth Center as a
10 Life Learning Academy charter school for academics, arts, and performing arts for
11 approximately 60 day-students comprised of "at-risk" boys and girls from the San Francisco
12 area, as well as approximately 50 "at-risk" girls who will be part of Delancey Street's Youth
13 Residential Program; and

14 WHEREAS, The consideration payable by the Subtenant for its use of the
15 Premises under the Sublease shall be comprised of the following: (i) Subtenant shall make
16 certain required improvements to the Premises, including upgrades necessary to satisfy the
17 FEMA-178 seismic standard , as well as all applicable San Francisco building codes, (ii)
18 Subtenant shall use the Premises for the public purposes described above, and for no other
19 purposes, and (iii) Subtenant shall pay any and all costs and expenses of operating the
20 Premises, including, without limitation, any and all Common Area Maintenance Charges
21 assessed against the Premises by the Navy and all utilities charges; and

22 WHEREAS, The term of the Sublease is for two years, provided that Subtenant
23 shall be granted five (5) one-year options to extend such term unless the Authority
24 determines, in its sole and absolute discretion, that continued use of the Premises by the
25

1 Subtenant is inconsistent with its long-term plans for reuse and redevelopment of the Base;
2 now, therefore, be it

3 RESOLVED, That the Authority hereby approves the Sublease and authorizes
4 the Executive Director to enter into the Sublease on behalf of the Authority; and, be it

5 FURTHER RESOLVED, That the Authority authorizes the Executive Director to
6 enter into modifications to the Sublease (including, without limitation, the attachment of
7 exhibits) that are in the best interests of the Authority and the City, do not materially change
8 the terms of the New Sublease, and are necessary and advisable to effectuate the purpose
9 and intent of this resolution.

10
11 **CERTIFICATE OF SECRETARY**

12 *I hereby certify that I am the duly elected and acting Secretary of the Treasure Island*
13 *Development Authority, a California nonprofit public benefit corporation, and that the above*
14 *Resolution was duly adopted and approved by the Board of Directors of the Authority at a*
15 *properly noticed meeting on September 16, 1998.*

16
17
18 **John Elberling, Secretary**

EXHIBIT A

SUBLEASE

**DRAFT
FOR DISCUSSION PURPOSES ONLY**

SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

**DELANCEY STREET FOUNDATION
as Subtenant**

For the Sublease of

**Buildings 183, 298 and 229 at Naval Station Treasure Island
San Francisco, California**

September __, 1998

DRAFT
FOR DISCUSSION PURPOSES ONLY
FORM LEASE FOR RESTAURANTEURS

TREASURE ISLAND SUBLEASE

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DRAFT
FOR DISCUSSION PURPOSES ONLY
FORM LEASE FOR RESTAURANTEURS

LIST OF EXHIBITS:

EXHIBIT A -- Master Lease
EXHIBIT B -- Drawing of Premises
EXHIBIT C -- Seismic Report
EXHIBIT D -- Description of Life Learning Academy
EXHIBIT E -- Rules and Regulations
EXHIBIT F -- Required Alterations
EXHIBIT G -- Utilities

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated as of this ____ of September, 1998, is by and between the Treasure Island Development Authority ("Sublandlord") and the Delancey Street Foundation, a 501(c)(3) non-profit corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated _____, (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord Buildings 183 and 298 (together, the "Yacht Club Facilities") and Building 229 (the "Youth Center", and together with the Yacht Club Facilities, the "Premises"), all located on Naval Station Treasure Island (the "Property"), together with a non-exclusive right to use certain parking areas adjacent thereto, all as more particularly shown on the map attached hereto as Exhibit B.

B. Subtenant desires to sublet the Premises from Sublandlord and Sublandlord is willing to sublet the Premises to Subtenant on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. PREMISES

1.1. **Subleased Premises.** Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises.

1.2. As Is Condition of Premises.

(a) **Inspection of Premises.** Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them, ("Subtenant's Agents") of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report and the Structural Report referenced in Section

1.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) **As Is; Disclaimer of Representations.** Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises ("Laws") governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below) (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use of Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or Subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 1.2 (b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco, (the "Seismic Report"), a copy of the cover page of which is attached hereto as **Exhibit C**. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

2. COMPLIANCE WITH MASTER LEASE

2.1. **Incorporation by Reference.** All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein

2.2. **Conflict.** If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

2.3. **Compliance with Master Lease.** Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

2.4. **Automatic Termination.** If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

3. TERM

3.1. **Term of Sublease.** The term of this Sublease (the "Term") shall commence on October 1, 1998 (the "Commencement Date") and terminate on September 30, 2000 (the "Expiration Date"), unless earlier terminated as provided in this Sublease.

3.2. **Extension Option.**

(a) **Option to Extend Term.** Sublandlord grants to Subtenant five (5) successive one-year options to extend the Term of this Sublease (the "Extension Options") each commencing upon the then applicable Expiration Date upon the following terms and conditions. Subtenant may exercise either Extension Option at any time during the Term but if it determines to do so it must give written notice to Sublandlord thereof (the "Option Notice") not less than one-hundred twenty (120) days prior to the then applicable Expiration Date. If either (i) any uncured event of default by Subtenant is outstanding hereunder either at the time of Subtenant's exercise of the Extension Option or at any time prior to the first day of the Extension Term (or if any event shall have occurred which with the giving of notice or the passage of time or both would constitute such a default), or (ii) Sublandlord determines, in its sole and absolute discretion, that Subtenant's continued use of the Premises interferes with its plans for reuse or redevelopment of the Property, then Sublandlord may elect by notice to Subtenant within thirty

(30) days of its receipt of the Option Notice to reject Subtenant's exercise of the Extension Option, whereupon the Extension Option shall be null and void.

(b) **Terms.** If Subtenant and Sublandlord elect to exercise the Extension Option, then the sublease for the Extension Term shall cover the entire Premises and shall be upon all of the terms, covenants and conditions of this Sublease.

3.3. Effective Date. This Sublease shall become effective on the date (the "Effective Date") upon which (i) the Parties hereto have duly executed and delivered this Sublease and (ii) Sublandlord's Board of Directors has approved this Sublease.

CONSIDERATION

3.4. Consideration. Throughout the Term, the consideration for Subtenant's use of the Premises shall be comprised of the following: (i) Subtenant shall make the Required Improvements described in Section 7.1 below, (ii) Subtenant shall use the Premises for the public purposes described in Section 6.1 below, and for no other purposes, and (iii) Subtenant shall pay any and all costs and expenses of operating the Premises, as described further in Section 5 below, including, without limitation, any and all Common Area Maintenance Charges assessed against the Premises by the Master Landlord ("CAM Charges").

4. TAXES, ASSESSMENTS AND OTHER EXPENSES

4.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility.** Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens.** Subtenant shall not allow or suffer a lien for any taxes payable

by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information.** Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

4.2. **Other Expenses.** This is a "triple net" Sublease. Accordingly, Subtenant shall be responsible for any and all other charges, costs and expenses related to its use, occupancy, operation or enjoyment of the Premises or any Alterations permitted thereon, including, without limitation, the cost of any utilities, maintenance or services necessary for Subtenant's use and the amount of the CAM Charges. The amount of the CAM Charges for the Premises is currently set at the rate of \$ _____ per month. Subtenant shall pay the CAM Charges to Sublandlord on a monthly basis.

4.3. **Evidence of Payment.** Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

5. **USE; COVENANTS TO PROTECT PREMISES**

5.1. **Subtenant's Permitted Use.** Subtenant may use the Yacht Club Facilities as a coffee shop/cafe ("Cafe"), serving the general population of visitors and residents of the Property. The Cafe will be operated by Delancey Street staff and residents of the Life Learning Academy, and will serve as a vocational program for culinary arts. The Youth center will be used as a Life Learning Academy charter school. The charter school will function as a basic classroom center for academics, arts, and performing arts for approximately 60 day-students comprised of "at-risk" boys and girls from the San Francisco area, as well as approximately 50 "at-risk" girls who will be part of Delancey Street's Youth Residential Program. The Life Learning Academy is described in Exhibit D attached hereto.

5.2. **Subtenant's Access to the Premises.** As provided in Section 30 of the Master Lease, Subtenant will have access to the Premises on a 24-hour, seven-days-a-week basis, provided however, Subtenant shall coordinate such access with the local representative of Master Landlord.

5.3. **Rules and Regulations.** Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit E, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and

regulations may be prescribed by Master Landlord or Sublandlord from time to time and which are provided to Subtenant in advance of the enforcement thereof.

5.4. Easements. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"), provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities. To the best knowledge of the Mayor's Treasure Island Project Office, there are no existing Additional Easements or other encumbrances which would materially interfere with Subtenant's use of the Premises.

5.5. No Interference with Navy Operations. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over the Subtenant's use of the Premises in the event of any conflict, provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

5.6. No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises or on or about the Property, other than advertising necessary for the normal conduct of Subtenant's training school/business(es), including the Cafe. Any such advertising shall be subject to the prior consent of the Sublandlord, which consent shall not be unreasonably withheld.

6. ALTERATIONS

6.1. Required Alterations. As partial consideration for this Sublease, Subtenant shall construct the alterations to the Premises described on Exhibit F attached hereto (the "Required Alterations"). Such Required Alterations shall include, without limitation, all improvements necessary to bring the Premises into compliance with the FEMA-178 seismic standard and any and all applicable San Francisco building codes.

6.2. Other Alterations. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions other than the Required Alteration (the "Other Alterations", and together with the Required Alterations, the "Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may be given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any permitted Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord or by program youths and staff under the supervision of qualified professionals, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any permitted Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of such construction at all times.

6.3. Historic Properties. Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to the Premises (i) which will affect the historic characteristics of the Premises or modify the appearance of the exterior of the Premises without Master Landlord's and Sublandlord's prior written consent or (ii) if such Alterations would preclude qualifying the Premises for inclusion on the National Register for Historic places.

6.4. Ownership of Alterations. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of Section 7.1 above shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

6.5. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and may be removed by it subject to the provisions of Section 18 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

6.6. Sublandlord's Alterations of the Premises and Premises Systems. Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the Premises, provided that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for purposes stated herein.

7. REPAIRS AND MAINTENANCE

7.1. Subtenant Responsible for Maintenance and Repair. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

7.2. Utilities. Sublandlord shall provide the basic building utilities and services described in the attached Exhibit G. (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole costs, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit G.

7.3. Floor Load. Without Sublandlord's prior written consent, which Sublandlord may give or refuse in its sole discretion, Subtenant shall not place or install in the Premises any equipment that weighs in excess of the normal load-bearing capacity of the floors of the

Premises. If Sublandlord consents to the placement or installation of any such machine or equipment in the Premises, Subtenant at its sole expense shall reinforce the floor of the Premises, pursuant to plans and specifications approved by Sublandlord and otherwise in compliance with Section 7.1 [Alterations and Construction] to the extent necessary to assure that no damage to the Premises or weakening of any structural support will be occasioned thereby.

7.4. Janitorial Services. Subtenant shall provide all janitorial services for the Premises.

7.5. Pest Control. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

7.6. Trash. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit E. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

7.7. No Right to Repair and Deduct. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or and any right of Subtenant to make repairs or replacements and deduct the cost thereof.

8. LIENS

Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written

notice of the commencement of any repair or construction on any of the Premises.

9. COMPLIANCE WITH LAWS

9.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary, provided however, that Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C.S. §§ 12101 *et seq.* and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below). No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

9.2. Regulatory Approvals.

(a) Responsible Party. Subtenant understands and agrees that Subtenant's use of the Premises and construction of Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Sublandlord and City, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties") against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and

expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

9.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

10. ENCUMBRANCES

10.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

11. DAMAGE OR DESTRUCTION

11.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire or any other casualty, not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, whether insured or uninsured, which prevents Subtenant from operating the Premises for the purposes stated herein and the cost of repairing such damage exceeds Ten Thousand Dollars (\$10,000), either Party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 18 (except for damage caused by the casualty pursuant to which the Sublease may be terminated under this Section 12.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 12.1, Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any changes made in strict accordance with the requirements of Section 7.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of such a casualty.

11.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 12.1 above, there shall be no abatement in the consideration and any other sums payable hereunder.

11.3. **Waiver.** The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

12. ASSIGNMENT AND SUBLETTING

12.1. **Restriction on Assignment and Subletting.** Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises, without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion.

13. DEFAULT; REMEDIES

13.1. **Events of Default.** Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) **Consideration.** Any failure to pay any sums due hereunder, including sums due for utilities and CAM Charges, within five (5) days after such sums are due;

(b) **Covenants, Conditions and Representations.** Any failure to perform or comply with any other covenant, condition or representation made under this Sublease, provided Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord.

(c) **Vacation or Abandonment.** Any abandonment of the Premises for more than fourteen (14) consecutive days; and

(d) **Bankruptcy.** The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter

amended or enacted.

13.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages.** The rights and remedies provided by law California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver.** The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

13.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

14. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

14.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any

person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Indemnified Parties (except as provided in Section 15.1(e) below). Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the consideration and other sums payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses and any and all claims, demands or rights

against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Indemnified Parties decision to Sublease the Premises to the Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Subtenant acknowledges that the releases contained herein includes all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

14.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents,

shall Indemnify the Indemnified Parties from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees, (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises, including the Premises, (f) any construction or other work undertaken by Subtenant on or about the Premises whether before or during the Term of this Sublease; or (g) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, or of any trespassers, in, on or about the Premises or any Alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Indemnified Parties. Notwithstanding the foregoing, Subtenant's obligations to indemnify the Indemnified Parties under this Section 15.2 shall remain in full force and effect regardless of whether or not the Indemnified Parties' decision to Sublease the Premises to the Subtenant, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to Section 12.1 above, Subtenant shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

15. INSURANCE

15.1. Subtenant's Insurance. Subtenant shall procure and maintain throughout the Term of this Sublease and pay the cost thereof the following insurance:

- (a) **Property Insurance.** Subtenant shall procure and maintain, at its own

cost, a standard fire and extended coverage insurance policy insuring the Premises, including, without limitation, the Premises and all fixtures, Alterations, furniture and equipment located thereon, in an amount not less than the full replacement value.

(b) **Public Liability and Other Insurance.** Subtenant shall at all times, at its cost, also maintain insurance for the mutual benefit of Sublandlord and Subtenant against:

(i) Claims for personal injury under a policy of commercial general liability insurance, including without limitation, liquor liability insurance, if liquor is served, claims for bodily injury, property damage or employer's liability occurring in or upon the Premises arising from earthquakes or subsidence, in an amount not less than \$5,000,000 combined single limit. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CG-00-01-11-88.

(ii) Worker's compensation insurance with employer's liability insurance covering all persons employed and with respect to whom death or bodily injury claims could be asserted against Sublandlord, Subtenant, the Premises or any other Sublandlord property, in an amount not less than \$1,000,000 each accident.

(iii) Automobile liability insurance with limits not less than \$1,000,000 each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Subtenant uses automobiles in connection with its use of the Premises. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CA-00-01-06-92.

15.2. General Requirements. All insurance provided for under this Sublease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and reasonably approved by Sublandlord.

(a) Should any of the required insurance be provided under a claims-made form, Subtenant shall maintain such coverage continuously throughout the term hereof and, without lapse, for a period of three (3) years beyond the expiration or termination of this Sublease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Sublease, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(c) All liability insurance policies shall be endorsed to provide the following:

(i) Cover Subtenant as the insured and the Sublandlord and the Master Landlord as additional insureds.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Sublease, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(iii) All policies shall be endorsed to provide thirty (30) days' advance written notice to Sublandlord of cancellation, non-renewal or reduction in coverage, mailed to the address(es) for Sublandlord set forth in the Basic Sublease Information.

15.3. Proof of Insurance. Subtenant shall deliver to Sublandlord certificates of insurance in form and with insurers satisfactory to Sublandlord, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon Sublandlord's request, and Subtenant shall provide Sublandlord with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. As to the insurance required pursuant to Section 16.1(b)(1) above, such certificate shall state, among other things, that such insurance coverage includes and shall cover Subtenant's indemnity obligations under Section 15.2 above. In the event Subtenant shall fail to procure such insurance, or to deliver such policies or certificates, Sublandlord may, at its option, procure the same for the account of Subtenant, and the cost thereof shall be paid to Sublandlord within five (5) days after delivery to Subtenant of bills therefor.

15.4. No Limitation on Indemnities. Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

15.5. Lapse of Insurance. Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

15.6. Subtenant's Personal Property. Subtenant shall be responsible, at its expense, for separately insuring Subtenant's Personal Property.

16. ACCESS BY SUBLANDLORD

16.1. Access to Premises by Sublandlord.

(a) **General Access.** Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access.** In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability.** Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

16.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

17. SURRENDER

17.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other Encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.4 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the

demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Law.

If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises.

18. HAZARDOUS MATERIALS

18.1. No Hazardous Materials. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the

event of an emergency). Without limiting the foregoing, Subtenant acknowledges and agrees that it shall be bound by and will comply with the environmental protection provisions provided for in Section 13 of the Master Lease.

18.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 15.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against all any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

18.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease.

19. GENERAL PROVISIONS

19.1. **Notices.** Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid as follows:

Notice Address of Sublandlord

Treasure Island Development Authority
Treasure Island Project Office
401 Palm Avenue
Building 1, Room 237
Treasure Island
Attn: Executive Director
Fax No.: 415-274-0662

with a copy to:

Office of the City Attorney
Fox Plaza
1390 Market Street, 6th Floor
San Francisco, CA 94102
Attn: Michael S. Cohen
Fax No.: (415) 554-3808

Notice Address of Subtenant:

Delancey Street Foundation
600 The Embarcadero
San Francisco, CA 94107
Attn: Mimi H. Silbert, President
Fax No. 415-512-5186

Notice Address of Master Landlord:

Commanding Officer (Code 24)
Engineering Field Activity West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, California 94066

Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice..

19.2. **No Implied Waiver.** No failure by Sublandlord to insist upon the strict

performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment for any sums due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

19.3. **Amendments.** Neither this Sublease nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

19.4. **Authority.** If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosure set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

19.5. **Joint and Several Obligations.** The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

19.6. **Interpretation of Sublease.** The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be

calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

19.7. Successors and Assigns. Subject to the provisions of Section 13, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

19.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

19.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

19.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

19.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties

further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein. Notwithstanding the foregoing, the Parties shall make a good faith effort to negotiate mutually acceptable changes to this Sublease, if any, within ninety (90) days of the date hereof, provided however, that such changes, if any, shall be subject to the approval of the Master Landlord.

19.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees.

19.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

19.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

19.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

19.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

19.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

19.18. Non-Liability of Indemnified Parties' officials, employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Agreement.

19.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

19.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

19.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord

20. SPECIAL PROVISIONS

20.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

20.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

20.3. Non-Discrimination.

(a) **Covenant Not to Discriminate.** In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or

applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) **Subleases and Other Subcontracts.** Subtenant shall include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such Subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all Subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) **Non-Discrimination in Benefits.** Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **HRC Form.** Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC").

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

20.4. No Relocation Assistance; Waiver of Claims. Subtenant acknowledges that it

acknowledges and agrees the liquidated damages assessed shall be payable to the Sublandlord upon demand and may be setoff against any moneys due to the Subtenant from this Sublease .

20.9. Prevailing Wages for Construction Work. Subtenant agrees that to the extent any person performing labor in the construction of the Alterations required under Section 7 [Alterations] is paid wages for such labor, such person shall be paid not less than the highest prevailing rate of wages and that Subtenant shall include, in any contract for construction of such improvements, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant further agrees that, as to the construction of such improvements under this Sublease, Subtenant shall comply with all the provisions of subsection (b) of San Francisco Charter Section A7.204 and Sections 6.33 through 6.45 of the San Francisco Administrative Code that relate to payment of prevailing wages. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord every two weeks during any construction period, certified payroll reports with respect to all persons performing labor in the construction of any of the required alterations. Subtenant shall not be required to pay wages to youths/and or adults performing labor in the construction of the Alterations if that youth or adult is performing such labor as a result of their participation in a Delancey Street Foundation training school or the vocational programs of the Life Learning Academy or the Life Learning Residential Center for Girls.

20.10. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communication the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

Delancey Street Foundation
a 501(c)(3) non-profit corporation

By:

Its: _____

will not be a displaced person at the time this Sublease is terminated or expires by its own terms, and Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Sublease with respect to a Taking.

20.5. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

20.6. Tropical Hardwood Ban. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product.

20.7. Conflicts of Interest. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

20.8. Burma (Myanmar) Business Prohibition. Subtenant is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a "prohibited person or entity" as defined in Section 12J.2(G) of the San Francisco Administrative Code. Sublandlord reserves the right to terminate this Sublease for default if Subtenant violates the terms of this clause. Chapter 12J of the San Francisco Administrative Code is hereby incorporated by reference as though fully set forth herein. The failure of Subtenant to comply with any of its requirements shall be deemed a material breach of this Sublease. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 12J of the San Francisco Administrative Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit under this Sublease, or 10% of the total amount of the Sublease, or \$1,000, whichever is greatest. Subtenant

SUBLANDLORD:

Treasure Island Development Authority

By: _____

Its: _____

Approved as to Form:

Deputy City Attorney

EXHIBIT B

LIFE LEARNING ACADEMY SUMMARY

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LIFE LEARNING ACADEMY EXECUTIVE SUMMARY

Life Learning Academy, an integral component of the juvenile justice reform for the City and County of San Francisco, is a San Francisco Unified School District charter school for San Francisco youths, ages 14 to 18, who have previously struggled in school, and who are involved, or at risk of involvement in the juvenile justice system. Developed by the Delancey Street Foundation, Life Learning Academy functions as a large, old-fashioned extended family, and operates year-round from 8:00 AM until 10:00 PM, Monday through Friday. The school serves students for an average of 200 days per year. Academic classes are project-based, interspersed throughout the day with vocational training, community service learning, group counseling, peer mentoring, health education, and athletic training.

The mission of Life Learning Academy is to create a safe and nurturing learning community which enables high risk youths in San Francisco to excel in school and in life. Life Learning Academy is committed to help students develop healthy, productive and independent lives by teaching rigorous academic, social, and vocational skills, and to inculcate positive community values. Life Learning Academy students "learn by doing," engaging in hands-on vocational projects as they develop academic skills and fulfill subject requirements. Life Learning Academy students will renovate their school, located on Treasure Island, Youth Center Building 229, themselves. They will learn culinary arts and food preparation skills by working in the café. They will create a reader based on their own life stories. They will engage in extensive community service learning; serve as peer mentors and educators; become health educators; and, engage in environmental education projects. Throughout all of their various activities and projects, they will connect their academic learning to the context of their lives.

Academic programs at Life Learning Academy are highly individualized, tailored to the strengths and needs of each student. Expectations for students at the Academy are very high, and each student is supported to excel at the ideal pace for his or her own development. Life Learning Academy academic requirements include 240 units - the number required by the San Francisco Unified School District - consisting of English, History / World Cultures, Mathematics / Technology, Science, Physical Education, Foreign Languages, and Electives. A team of teachers, mentors and students work with each student to establish goals and monitor academic, behavioral, social and personal progress and growth. The student to faculty ratio at Life Learning Academy is very small, with a maximum of 15 students per class. All students receive sustained support and personal attention from skilled, caring teachers, mentors, and other adults who understand and have experienced backgrounds similar to those of our students. Breakfast, lunch and dinner are provided daily for students. Life Learning Academy also offers van transportation for students to and from school.

Life Learning Academy is based on the following four philosophical principles

Reciprocal Restitution

In general, students at Life Learning Academy have previously lacked success in school. They have hurt others, and they have been hurt; hence, the grounds for reciprocal restitution. The basis of this socio-philosophical principle is that 1) Youths who have committed crimes owe something to society; and 2) That society which has neglected, abused and otherwise failed to

care adequately for its young people, owes them a chance for success, and an opportunity for education, vocational training, and hope. Life Learning Academy students will make restitution to their victims and society by engaging in extensive, intensive community service. At the same time, Life Learning Academy will give students the maximum opportunity to be successful by providing them with the skills and resources they need to succeed.

High Expectations

Life Learning Academy recognizes that young people who have typically fallen into the "bottom four percent" on standardized educational tests and in traditional academic settings, can rise to the top – in school and in life – when given the support, structure, attention, discipline, motivation, and accountability necessary to learn and grow successfully. Life Learning Academy demands a tremendous amount from its students, and expects students to meet the challenges of a rigorous academic curriculum. To accomplish this goal, the Academy identifies students' strengths, interests and competencies – whether they are kinesthetic, visual, auditory, artistic, emotive, social, or mechanical – and then builds individualized strategies to address and build on students' assets and individual and collective potential.

Each One Teach One

Life Learning Academy recognizes that education is a dual process, and that the surest way to increase competence and self-esteem is for teachers to be learners, and for learners to be teachers. Once a student in Life Learning Academy has learned a new word, a new mathematical concept, or a new insight, he or she will be encouraged and required to teach that new knowledge to others. This process cements individual learning, and fosters a strong and healthy school community. Everyone in Life Learning Academy – faculty and youths alike – will serve both as teachers and learners.

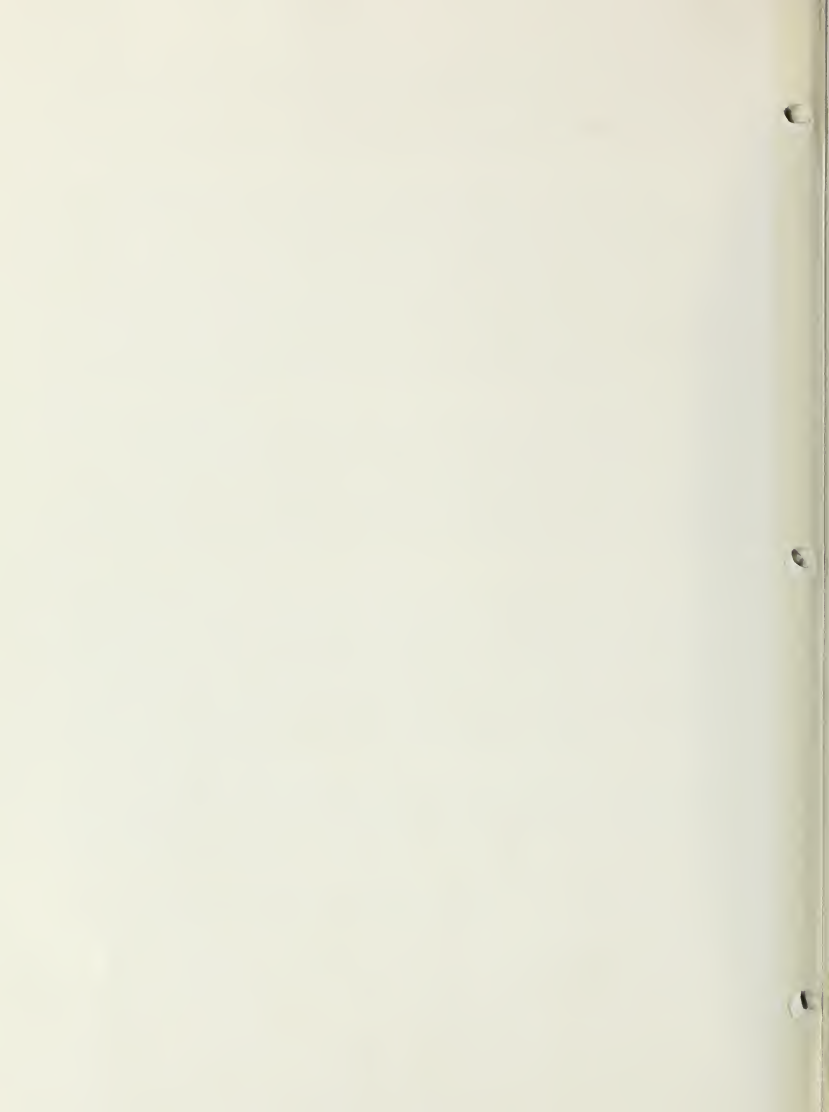
Positive Peer Culture

Many of the young people entering Life Learning Academy are youths who have already established a peer culture – often via formal gang affiliation, or through violent, anti-social street socialization. In contrast, Life Learning Academy offers a school community based on mutual respect, close bonds between students and teachers, a strong sense of belonging, responsibility and caring. Life Learning Academy students will work together, side by side, on projects, lessons, and activities. They will learn together, they will struggle together, they will eat together, they will work in the community together, and together, they will learn respect – for themselves, and for others.

Based on these four tenets, Life Learning Academy is designed to alter the life trajectories of youths in need of intensive educational, social and emotional interventions; to inculcate a passion for learning in young people; and, to educate students towards the ends of human compassion and social justice.

For further information, please feel free to contact the Partnership Coordinator, Carol Chodroff, at the following telephone number: 415-512-5198





AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution authorizing the acceptance of gifts to increase access on Treasure Island

Agenda No. 10

Contact Person/Phone: Annemarie Conroy

Meeting Date: September 16, 1998

SUMMARY OF PROPOSED ACTION: The resolution directs the Executive Director to accept and expend \$70,000 in donations for the purposes of increasing public access to Treasure Island. The resolution also requires that within 60 days of the expenditure of such funds, the Executive Director shall submit a written report to the Authority describing the manner in which the donations were expended.

BACKGROUND AND DESCRIPTION OF PROPOSED ACTION: The Authority has received three separate gifts, one from an anonymous donor in the amount of \$30,000, one from Providian Financial in the amount of \$30,000 and one from Nash Bridges Productions in the amount of \$10,000 to fund a public access program for Treasure Island and to offset costs, which include, but are not limited to police, fire, public amenities and additional staff to monitor public use.

THE HISTORY OF THE CITY OF BOSTON

FROM THE FIRST SETTLEMENT TO THE PRESENT TIME

BY NATHANIEL BENTLEY

VOLUME I.

THE FOUNDING OF THE CITY

THE CITY OF BOSTON WAS FOUNDED IN 1630 BY A GROUP OF PURITAN SETTLERS WHO WENT TO THE NEW WORLD IN SEARCH OF A PLACE WHERE THEY COULD PRACTICE THEIR RELIGION FREELY. THE CITY WAS FIRST CALLED "BOSTON" IN HONOR OF THE BOSTON COMPANY, WHICH HAD BEEN GRANTED A CHARTER BY THE KING OF ENGLAND TO SETTLE THE AREA.

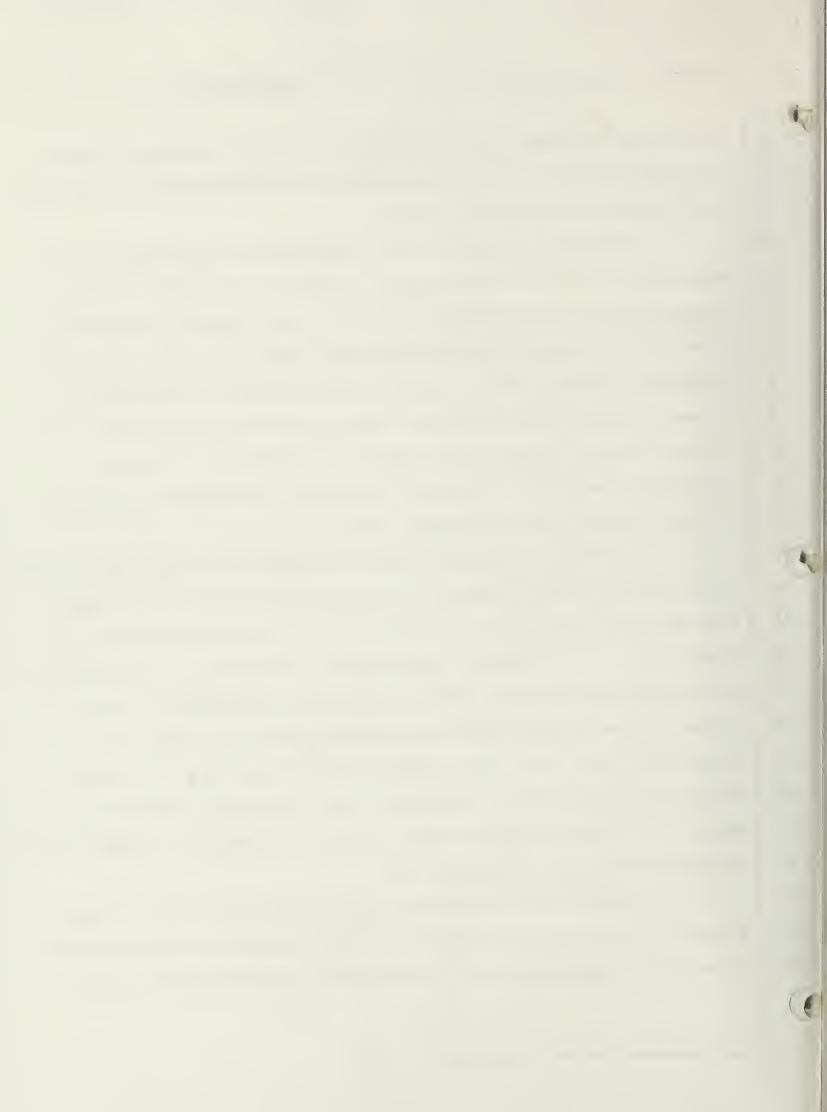
THE CITY GROWED RAPIDLY IN THE FOLLOWING YEARS, AND BY 1680 IT HAD BECOME ONE OF THE MOST IMPORTANT PORTS IN THE COLONIES. THE CITY WAS THE CENTER OF THE PURITAN REVOLUTION, AND IT WAS HERE THAT THE FIRST MASSACHUSETTS GENERAL COURT WAS HELD.

1 [Acceptance of Gifts Related to Public Access to Treasure Island]
2 RESOLUTION AUTHORIZING THE ACCEPTANCE OF GIFTS RELATED TO INCREASING
3 PUBLIC ACCESS TO TREASURE ISLAND.

4 WHEREAS, On May 2, 1997, the Board of Supervisors passed
5 Resolution No. 380-97, authorizing the Mayor's Treasure Island
6 Project Office to establish a nonprofit public benefit corporation
7 known as the Treasure Island Development Authority (the "Authority")
8 to act as a single entity focused on the planning, redevelopment,
9 reconstruction, rehabilitation, reuse and conversion of former naval
10 station Treasure Island (the "Base") for the public interest,
11 convenience, welfare and common benefit of the inhabitants of the
12 City and County of San Francisco; and,

13 WHEREAS, Under the Treasure Island Conversion Act of 1997,
14 which amended Section 33492.5 of the California Health and Safety
15 Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968
16 (the "Act"), the California legislature (i) designated the Authority
17 as a redevelopment agency under California redevelopment law with
18 authority over the Base upon approval of the City's Board of
19 Supervisors, and, (ii) with respect to those portions of the Base
20 which are subject to the Tidelands Trust, vested in the Authority the
21 authority to administer the public trust for commerce, navigation and
22 fisheries as to such property; and

23 WHEREAS, The Tidelands Trust prohibits the sale of trust
24 property into private ownership, generally requires that Tidelands
25 Trust property be accessible to the public and encourages public-



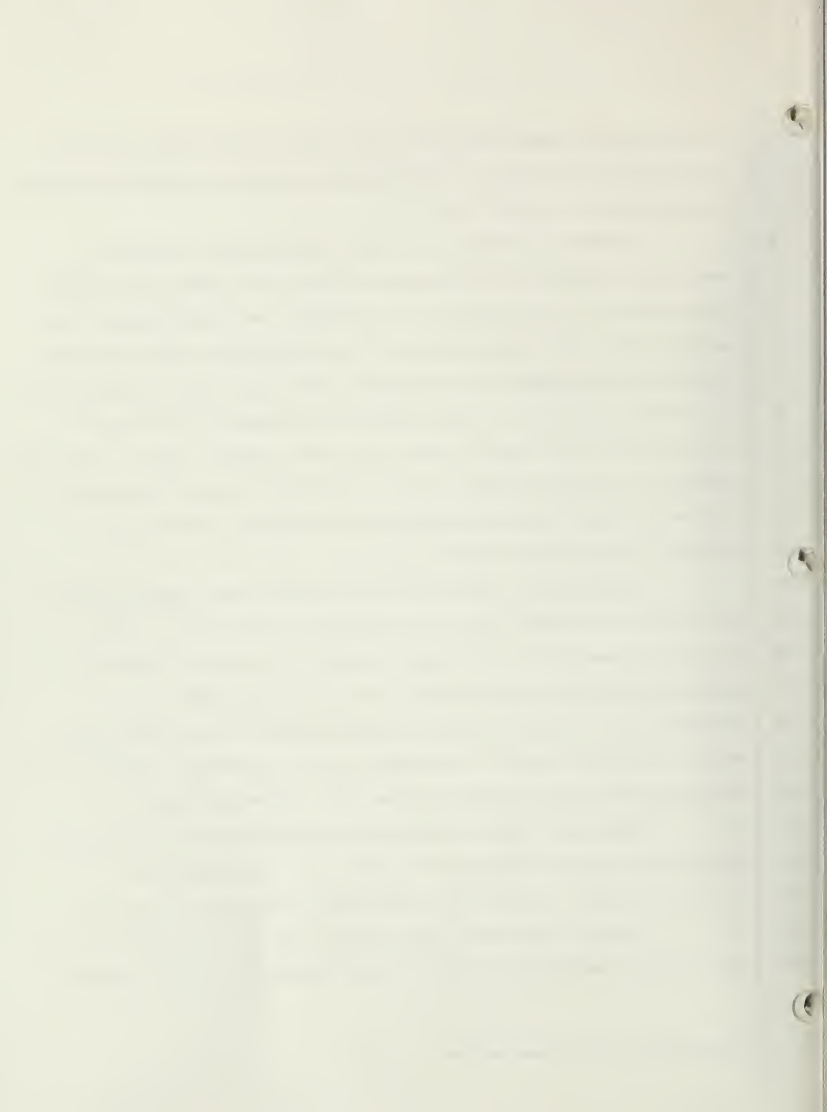
oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and

WHEREAS, On April 15, 1998, the Authority adopted a resolution regarding the acceptance of gifts and other charitable contributions to the Authority in accordance with Government Code Section 18944 which requires that (i) all Gifts be used solely for the official business of the Authority and, (ii) that the Authority, in its sole discretion, shall determine the specific official or officials who shall use the Gift, provided, however, that a donor may identify a specific purpose for the Authority's use of the Gift, so long as the donor does not designate the specific official or officials who may use the Gift; and

WHEREAS, The Authority has received three separate gifts, one from an anonymous donor in the amount of \$30,000, one from Providian Financial in the amount of \$30,000, and one from Nash Bridges Productions in the amount of \$10,000 (together, the ("Gifts")), all to fund a public access program for the Base and to offset the costs thereof, including but not limited to, police, fire, monitoring and public amenity costs; now, therefore, be it

RESOLVED, That the Authority hereby directs the Executive Director to accept and expend the Gifts for the purposes of increasing public access to the Base described above; and be it,

FURTHER RESOLVED, That within 60 days of the expenditure of such funds, the Executive Director shall submit a written report to



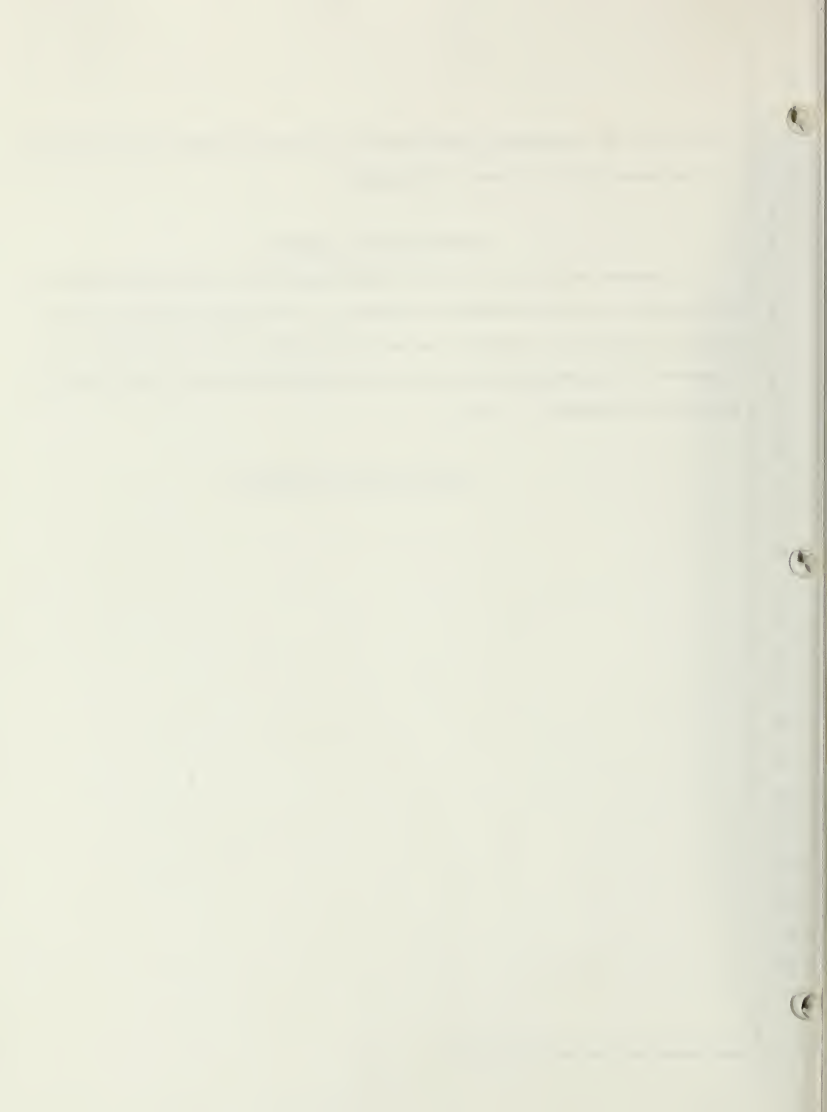
1 the Authority describing the manner in which the Gifts were expended
2 to increase public access to the Base.

3
4 CERTIFICATE OF SECRETARY

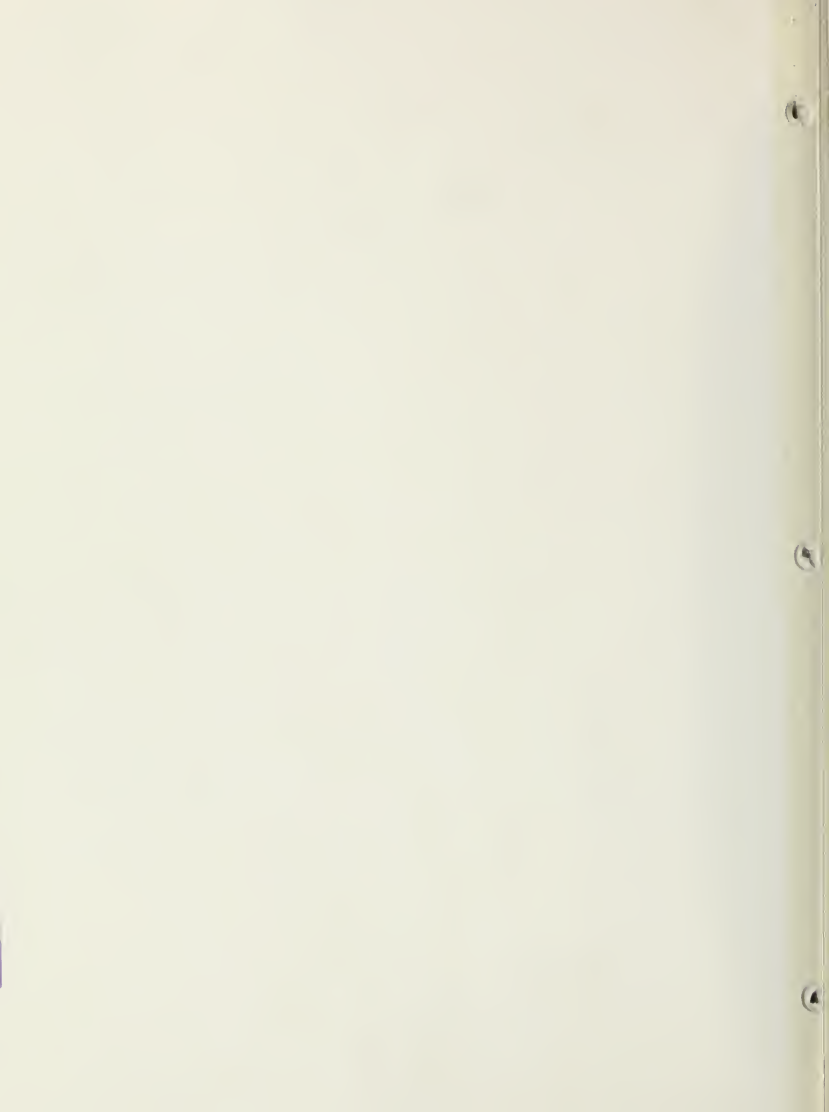
5 I hereby certify that I am the duly elected and acting Secretary of
6 the Treasure Island Development Authority, a California nonprofit public
7 benefit corporation, and that the above Resolution was duly adopted and
8 approved by the Board of Directors of the Authority at a properly noticed
9 meeting on September 16, 1998.

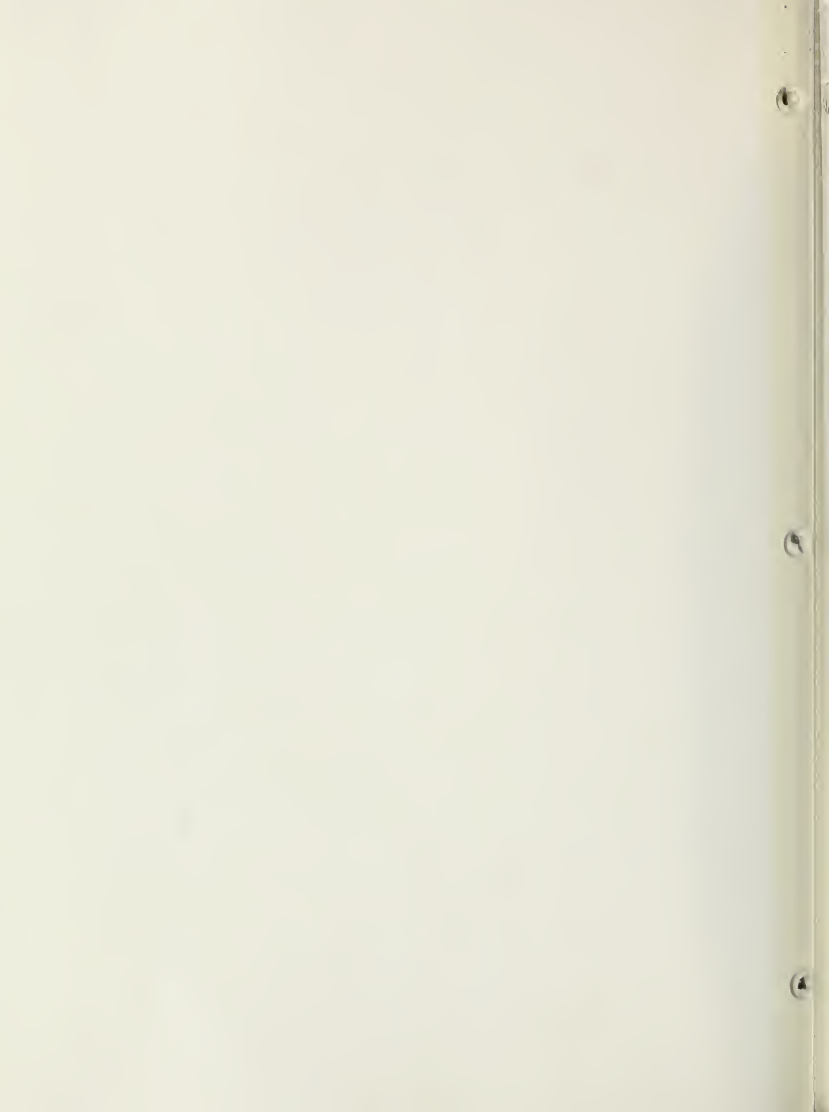
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John Elberling, Secretary
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The Treasure Island Project

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Treasure Island Development Authority

**MINUTES FOR REGULAR MEETING
SEPTEMBER 16, 1998**

1. Call to Order: 1:10 p.m. Suite 3100, Port of San Francisco, Ferry Building
2. Roll Call: Present: Dale Carlson, Chair John Elberling, Vice Chair (1:17) Anne Halsted Gerald Green James Morales (1:25) Donna Provenzano Doug Wong (1:15) left (3:04)
3. Approval of Minutes: The minutes of August 19, 1998 were unanimously approved.
4. Communications Commission Secretary Rummelsburg indicated that in addition to the two letters noted in the agenda packet, several letters and postcards had been received in support of wetlands on Treasure Island.
5. Ongoing Business by Directors
6. Introduction of New Business by Directors
7. Report of the Treasure Island Project Director, Annemarie Conroy

Ms. Conroy remarked on the need to make a substantial Director's report to substantiate the work of the Project Office. She commented on the hard work and excellence of the 10 staff members in creating a project of which the City can be proud. She stated that staff works 10 hours per day as well as weekends. Ms. Conroy listed each staff member, their responsibilities and achievements, including the rescue of \$200,000 in OEA grant funds. Ms. Conroy noted that staff has weathered Proposition K, and continues to advocate against Caltrans' proposed northern alignment of the East Span of the Bay Bridge. Other recent achievements and involvements include continuing negotiations with the John Stewart Company, hearings before the Board of Supervisors, a \$50,000 grant for an economic and fiscal consultant, the relocation of the Police Academy to Treasure Island, payment by the Police Department to the Navy of CAM charges and restoration of the gym and theatre for future use as public amenities. Still others include Disney's production of "Bicentennial Man" and Nash Bridges' (Rysher Productions) including the construction of Nash Bridges' Police Station. Other projects in process include Delancey Street's Life Learning Academy (on the agenda later), the opening of snack bar and cafe providing the marina with an amenity, the upcoming issuance of an RFP for an economic development consultant and an RFQ for a master developer. The appraisal process is moving forward, and the successful resolution of the WAPA power allocation resulted in lowering the cost of utilities to Treasure Island. On October 1, contracts with Rubicon, TIHDI and Toolworks

will be up and we will renegotiated. In addition, the Project Office has secured assurances from the Navy for \$4 million from the cooperative agreement for next year which will be used to provide critical public services to the islands. The application to continue the cooperative agreement after October, 1999 is due on Friday, September 18th. CAM charges will be a prime item of negotiation. Other developments and actions which will or have already taken place include: formulating and delivering testimony for three hearings before the Board of Supervisors, positive changes in the TURF program in which the Police Department has created a new civil service position for promising gate guards under the supervision of the Police Department. On-island staff changes of several city departments has created a close city family. Staff issued draft guidelines for the Citizens Advisory Committee and is preparing a response to the Civil Grand Jury. In addition, the Project's newsletter is being redrafted and the Navy museum will forward its collection to San Francisco International Airport which will eventually renovate Building 1. Staff is monitoring the EIS/EIR process with the Planning Department, and is also monitoring the Navy's clean-up schedule emphasizing the priority of completing the housing.. We have an excellent relationship with the Navy.

There has been a substantial expansion in visitors to Treasure Island and staff is planning future events. In the next few weeks whale boat races will be held and in October the harbor master will convene a lottery for 34 marina boat slips. We have opened Treasure Island for the first time since 1939, have a limited access program with necessary public services and have collected \$70,000 in private donations to fund it. Staff has negotiated with Navy to enable this program. The expense of unfettered access is too costly.

The Project Office has hired, on a contract basis, a public information officer who presented (at the meeting) a folder of documents outlining past press releases and the objectives of his position. Allen White then addressed the audience about his experiences about the Labor Day event and how the press interest changed into a more positive slant.

Ms. Conroy commended staff and thanked specific members of the Board of Supervisors and other elected officials who attended the Labor Day event. Ms. Conroy reported that approximately 68,000 people attended "Blues and Art on the Bay" over the Labor Day weekend and that ferries were the choice of transportation. She thanked AC Transit, the Highway Patrol, Police and Fire Departments and Treasure Island staff. Gross revenues were \$460,000 and gross receipts were \$458,000, an excellent outcome since the intention was to simply to break even. Ms. Conroy reported that Treasure Island was the real star. For the event, police service cost \$30,000 and fire protection \$20,000, far more than budgeted on other San Francisco street fairs. The final accounting is being prepared.

Ms. Conroy enumerated events for August which drew the public to Treasure Island. These included numerous picnics, weddings and parties. Ms. Conroy reported that upcoming events included an Alzheimer's Society "Memory Walk" on October 3rd

Ms. Conroy reported that the Navy signed off on Site 12 clean up. In terms of short-term leases, Nash Bridges' has leased Pier 1. The Beijing Acrobats are leaving and the production staff for the X Games will move into the 240 series of housing on Yerba Buena Island on a month-to-month basis with some staff remaining until February.

Ms. Arbuckle, Finance Director, stated that the Project Office received five responses to an RFP for a fiscal and economic consultant. These are mostly familiar names with four having several subcontractors as support. The Selection Committee is being

established which will be composed of a staff member from the Mayor's Office of Economic Development, Deputy City Attorney Cohen, a staff member from the Human Rights Commission, and staff from a closing military base. They are hoping to prepare recommendations for the Authority's October meeting.

Ms. Conroy also reported that a draft RFQ for a master developer is being reviewed by Kofi Bonner and that the Authority at its next October meeting will review a draft of the document.

Ms. Conroy reported that TIDA and the Project Office's response to the Grand Jury report is in draft form and is due October 7th.

Ms. Conroy stated that any commissioner who would like to review the draft should contact her and that Mr. Cohen stated that formal adoption by the Authority is not required. Dale Carlson requested that drafts should be circulated to all commissioners and announced that Mr. Morales and Mr. Elberling will supervise editing of the final version.

Ms. Conroy reported that Project Staff had two productive meetings with TIHDI and will be meeting again with TIHDI and the John Stewart Company. She will report on these meetings at the next Authority meetings in October.

Ms. Conroy reported that the self-insurance resolution approved by the Authority in May was approved by the Board of Supervisors and signed by Mayor. Supervisor Michael Yaki has a proposal before the Board to add three members to the Authority. She also reported that staff will respond to Yaki's request for an access plan.

Mr. Morales indicated his concern with a new media strategy which he characterized as "slash and burn" for those organizations implying that TIDA is incompetent. He stated that we shouldn't telegraph our strategy and specifically noted the references to Terry Pimsleur, Caltrans and the San Francisco and Alameda County Labor Councils. He supports media strategy that is responsive to unfair criticism. Mr. White responded that Caltrans' attacks were vicious. Ms. Conroy stated, however, that she has taken note of Mr. Morales' comments.

Mr. Elberling also stated that he was not comfortable with the material distributed by Mr. White and cannot endorse it as it stands. Mr. Elberling commended staff for their hard work for the Labor Day weekend and asked staff to evaluate bus and ferry service in light of a complete logistical analysis of the transportation system. Ms. Conroy responded that staff in the process of such evaluation.

Mr. Elberling inquired about two items with regard to TIHDI. The first was the status of a lease approved by the Task Force to grant Goodwill space for a parking lot for its trucks. Ms. Conroy stated that she would want to consult with the City Attorney's Office and stated further that bringing heavy trucks onto Treasure Island must be evaluated in light of environmental issues. Ms. Conroy stated that she would like the Development Authority to review the lease. Mr. Elberling added that TIDA owes Goodwill an explanation. In addition, earlier this year Goodwill informally proposed a snack bar/convenience store at the entry gate. Ms. Conroy stated that she had not heard about the proposal but had talked with Goodwill about a convenience/grocery store as part of the John Stewart project. Mr. Elberling stated that Project staff had made a commitment to Goodwill for a small snack bar at the gate.

Mr. Elberling asked about housing priorities and stated that he had reviewed earlier

TIDA minutes indicating that this was a subject for a policy discussion at the Authority. How is Authority going to make this decision? Mr. Cohen stated that there are two responses: If there was a question about the specific setting of rents and priority preferences under the John Stewart contract, that would be appropriate for a closed session and two Commissioners would have to recuse themselves from that discussion. Alternatively, the Authority could decide to put on the agenda a discussion of island-wide housing preferences. Mr. Elberling stated that he did not believe that it would be legal for the John Stewart Company to propose that a portion of the available housing be set aside for a specific set of users. The question of priorities, however, is a policy matter for the whole Authority. Mr. Cohen stated that the setting of rents for the John Stewart project is appropriate for closed session because it is relevant to the economics of the John Stewart contract. Mr. Cohen stated that it was appropriate under the Brown Act and the Sunshine Act to schedule an item on the October agenda to establish a housing policy for Treasure Island.

Chair Carlson congratulated staff on its hard work over the Labor Day weekend and, on behalf of Authority, thanked staff.

Public comment on Item 7:

Bruce Franks, job-broker for TIHDI, distributed a brochure on TIHDI's job brokerage and introduced himself and stated that he was in dialogue with the Project Office about setting up a structure for workforce development issues. Mr. Franks is concerned that TIDA's lessees are unaware that they are required to have a hiring plan or workforce agreement. The Authority should direct lessees to talk with Bruce Franks and should insist that each lease should contain such wording. Mr. Franks stated that perhaps a lease should not be approved if such a procedure is not followed. Ms. Conroy responded that production staff for the X games may lease space on Yerba Buena Island and she has approached them about hiring Toolworks and Rubicon personnel. The Project Office is pleased to refer lessees like Disney and Nash Bridges to TIHDI.

Ms. Conroy distributed hats and tee shirts to each of the TIDA directors. She also thanked volunteers from Walden House and Delancey Street for their hard work.

8. Resolution approving selection of environmental consultant (Action item)

Since Martha Walters was not present, Steve Mollinex from the Department of Public Works explained that the purpose of the contract was to provide as needed services for \$100,000. He stated that the consultant selection process was complete and that the committee had made a selection. Mr. Elberling asked on what particular projects the consultant would work, and Mr. Mollinex referred Mr. Elberling to the scope of services detailed in the contract and added that the firm will work with Navy in its clean up responsibilities. In response to Mr. Elberling, Mr. Mollinex stated that the marina would be a primary project and Ms. Conroy added that the Navy's housing clean-up would be another.

Moved by Wong, seconded by Halsted to adopt item 8, passed 7-0.

9. Resolution approving lease with Delancey Street for yacht club and youth center (Action item)

Executive Director Conroy introduced Dr. Mimi Silbert, President of Delancey Street, who explained the purpose of the project. Two of the six components in the Mayor's Juvenile Justice program relate to the Life Learning Academy which teaches "at-risk"

kids three vocational skills, academics, social skills, and non-violence. Delancey Street has also agreed to house 30 "at-risk" girls who have no other housing resources. The Academy will operate every day from 8 am to 10 p.m. Dr. Silbert stated that Delancey Street has searched for other sites for the Academy and housing. She added that the State of California gave the City funding and that Delancey Street must implement Life Learning Academy. Delancey Street has worked with TIHDI and the Project Office to identify for use structures in which TIHDI had no plans or interest. Dr. Silbert stated that it is imperative that Delancey Street start work on the cafe and Life Learning Academy by September 1, 1998 so that the California Department of Corrections will not revoke funding already awarded to Delancey Street. The City has pleaded with the state for an extension.

Mr. Morales asked how kids are referred to the Life Learning Academy, and Dr. Silbert responded that referrals came from the City's Department of Social Services, the Juvenile Court, the San Francisco Unified School District, and the Mayor's new Juvenile Justice assessment center.

Public Comment on item 9:

Before public testimony, Ms. Conroy announced that staff was offering amendments to the resolution. These had been distributed to the Commissioners before the meeting and were responsive to TIHDI. They are as follows: The first amendment was to reflect a change in the Sublease that expanded the consideration payable to the Authority under the Sublease to include 2% of the gross revenues generated from the operation of the cafe, after Delancey Street recovers its costs of making certain required improvements. The second amendment was to add a "resolved" clause that the operation of the cafe, the youth center or the Life Learning Academy under the Sublease would not constitute or diminish any of TIHDI's economic development opportunities on the Base, and that no use or program proposed by TIHDI would be denied by the Authority on grounds that it was inconsistent or duplicative of the cafe, youth center or the Life learning Academy.

Sherry Williams, TIHDI, stated that she had concerns with process, how this lease came about, its fairness and how interim users interact with each other to make Treasure Island's reuse successful. Ms. Williams stated that she will not direct her comments about Delancey Street or the value of the project. She noted that no member of the TIHDI consortium has a lease with the Authority. She referred to an approved lease with Goodwill Industries which has not been implemented. She indicated concern with the August closed session on the proposed Delancey Street lease. She stated that Delancey Street never told TIHDI about its interest in the cafe but that TIHDI had approached the Project Office in the past about its interest. Ms. Williams stated that TIHDI wants to share in the economic opportunities on Treasure Island.

Matt Starr stated that there has been inadequate notice regarding TIDA's lease with Delancey Street. He asked Authority members how long they have known about the lease and emphasized the necessity for integrating TIHDI's program into the re-use plan. He stated that TIHDI has not been able to advance its plan, and asked why Delancey Street has been able to do so. Mr. Starr stated that Goodwill had had a proposal pending before the Project Office for two months which has not been acted upon. Mr. Starr stated that there are two issues: there is no process and how does staff move projects forward?

Steve Bingham, S.F. Neighborhood Legal Assistance Foundation, stated that last month's closed session was a violation of the Brown Act. He stated that there were too

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DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
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many things hidden in the process but that he does not want to prevent Delancey Street from going forward. TIDA's existing contract with HUD (Section 4c2a) requires the Authority to notify TIHDI when any economic conveyance may come available. Since the snack bar could generate money, it can be considered as an economic conveyance. All parties should have been brought together to talk about Delancey Street's proposal. Mr. Bingham proposed that the resolution go forward but that the lease be left in draft form for 30 days so that discussions may ensue between the Director, TIHDI and Delancey Street. Language is needed in the lease requiring Delancey Street to engage in discussions with TIHDI about the compatibility of uses between the two groups. There must also be wording in the lease stating that if the lease conflicts with the HUD agreement, then the agreement governs. The lease with Delancey Street should be solely two years, without options to extend.

Harlan Van Wye, Vice Commodore of the Treasure Island Yacht Club and boat owner at Treasure Island, complimented staff on the Blues Festival. He stated that he is pleased with lottery and that Building 183 will be in use again. He commented that the proposed use is an excellent one. Mr. Van Wye also suggested some corrections to the contract with Delancey Street.

Authority member Wong stated that he had to leave the meeting but that he was in favor of the lease with Delancey Street, complemented them on their excellent work and commented that Delancey Street were excellent tenants of the Port.

Kimiko Burton, Director of the Mayor's Criminal Justice Council, stated that her agency was the fiscal agent for the state Board of Corrections which has given the City \$5.5 million over three years. She stated that Delancey Street's project needed to be up and running immediately and that the City's future applications for new money in state budget for Juvenile Justice will be dependent on implementing projects that had already been funded. Ms. Burton added that the resolution is not about TIHDI, but is about whether Delancey Street and its partners (consisting of no fewer than seven city departments) can build its school and turn the tide of juvenile justice. She stated that Delancey Street had given TIHDI the right of first refusal for structures on Treasure Island. The cafe is simply a place in which students can learn basic culinary skills and is not intended as a big money maker. Ms. Burton also stated that a 30-day delay on voting on the lease will "seal the project's fate" because a site visit by the State Board of Correction's site monitor is scheduled for the end of September and the City and Delancey Street must show progress or lose money.

Eugene Clendinen, Mayor's Criminal Justice Council and fiscal agent, stated that unless the lease was approved today that \$2,500,000 of state funds and \$5,000,000 of federal funds would be jeopardized.

Rick Mariano, Delancey Street Board member, stated that project is very important for improving the life of kids in the juvenile justice system. The school must be opened now. The cafe will benefit Treasure Island.

Gerald Miller, Delancey Street resident, testified that as a Delancey Street volunteer, he enjoyed driving the cable cars over the Labor Day weekend and that the kids enrolled in the Life Learning Academy were looking forward to coming to Treasure Island.

Redmond Kernan, marina proposer, testified that he could work with Delancey Street's proposal. He urged the Authority to approve the proposal and asked when the Authority would act on the Marina proposals.

Commissioner Provenzano asked Deputy City Attorney Cohen the legality of taking action on the item today. Mr. Cohen acknowledged that he and Mr. Bingham disagreed on the issue of notice and stated further that he believed that the matter had been properly noticed under the Brown and Sunshine Acts and that if the Authority decided to proceed in approving the proposal, that its action would be in conformance with applicable law.

Commissioner Green stated that he had talked with Kimiko Burton about the project and the Juvenile Justice Program. He emphasized that Treasure Island is part of San Francisco and that Delancey Street's program is valuable and that San Francisco has an extreme need for this type of program. Mr. Green also noted that he was impressed that the City and Delancey Street had searched for other sites within the City. But there is an extreme need.

Commissioner Morales stated that he had worked with low- income youth and there is a need for these services especially for young women. He added that because funding may be lost if the Authority does not act, the Authority must be flexible in these types of circumstances. He asked that two points be explored: the relationship of this sublease and the City's agreement with TIHDI that had been approved by the federal Department of Housing and Urban Development. He asked if there are there problems with an additional lease provision which would state the consistency. In addition, he moved to add a provision to require Delancey Street and other lessees to ensure compatibility of use. Mr. Morales stated that he preferred to keep the lease term as it is.

Ms. Conroy proposed two additional amendments: 1) The Treasure Island Project Office shall facilitate meetings with Delancey Street and TIHDI to determine appropriate integration of their programs. 2) The Treasure Island Development Authority is to approve any changes for a significant physical expansion of of Building 183.

Mr. Morales stated that the two amendments do not address the TIHDI agreement and asked if there be a problem in stating that the TIHDI agreement would be binding. Mr. Cohen reiterated that until the EIR/EIS for the redevelopment and reuse plans were submitted to and certified by the Board of Supervisors that the Authority has no legally binding agreement with HUD or TIHDI. As a policy matter, however, the Authority has acted in the past as if the agreement has been binding. In reality, the current agreement with TIHDI has been endorsed and not approved by the Board.

Mr. Morales asked that irrespective of its legality, is there anything in the agreement that is problematic in terms of providing that the provisions that the agreement would prevail. Mr. Morales added that he is aware that the economic development provisions of the agreement are not exclusive to TIHDI. He asked if the Authority could go forward with the sublease and then at next meeting amend the sublease to include language to permit the substantive provisions of the LBA supercede the lease with Delancey Street in the event of a conflict. Mr. Cohen stated that we could do this, and in the interim review closely the provisions of the LBA.

Mr. Morales made a motion that that this be scheduled for the October agenda. It was approved unanimously.

Mr. Elberling asked how Delancey Street's opening of the cafe would affect the RFP for the marina and does it require the authority to amend the RFP? Mr. Cohen stated that the RFP process reserved for the Authority extensive rights in amending the premises description as well as the final development agreements. He further stated that the

Authority could provide notice to the three competitors of the Delancey lease. In addition, the Authority has the discretion under the terms of the sublease with Delancey Street not to extend the term of the sublease. It is a policy question for TIDA to decide if the marina proposers could amend their submittals to accommodate this sublease. Ms. Conroy stated that the proposed cafe would not impede major development. She stated that "this is much ado about a shack". Harbormaster Marianne Conarroe stated that the Authority would be presented with a recommendation for the marina development at its October meeting.

Mr. Elberling stated that he is heartened that real human and social services are coming to Treasure Island. He would, however, like to further discuss the process for bringing development and leases before the Authority. He asked why Delancey Street gets the green light, and why TIHDI gets a yellow or red light and if there's a double standard in evaluating and moving forward TIHDI's proposals. Mr. Elberling stated that it is imperative to move forward with TIHDI's agenda including an economic development activity. Performance is the most convincing answer. Ms. Conroy responded that the Project office will facilitate meetings between TIHDI and Delancey Street. Ms. Conroy also stated that she has been working with the John Stewart Company to integrate the rehabilitation of TIHDI's units with the Authority's.

Mr. Morales moved an amendment to the amended resolution. Moved by Morales, seconded by Halsted to adopt item 9, passed 6-0.

Ms. Halsted stated that she was pleased that everyone is working together.

10. Resolution approving amendment to lease with United States Navy for South Waterfront properties (Action item) This item was continued to the October 21, 1998 meeting.

11. Resolution approving acceptance of gifts for public access program (Action item)

Ms. Conroy stated that the Project Office has been working closely with the Navy to develop an access program and that in order to get the Navy to open the western shoreline of Treasure Island to public access, specific actions must be taken to keep members of public out of unsafe areas. Since Treasure Island must be financially self-sufficient, additional funds are necessary to offer such access. The Project Office to date has collected \$70,000 from three donors. Ms. Conroy stated that in order to comply with the law that gifts to government agencies cannot be anonymous, the identity of donors must be disclosed. Thus, the resolution must be amended to disclose the identity of the third donor, Ambassador Bill Lane.

Commissioner Morales asked if the Board of Supervisors must give their approval to accept the gift and Mr. Cohen stated that this was not necessary. Mr. Morales stated further that the Authority must thank the three donors.

Commissioner Green commended staff on obtaining the contributions.

12. Public Comment

Ruth Gravanis, Treasure Island Wetlands Project, suggested that in its closed session evaluation of staff that the Authority examine the agency agreement. She urged that an access plan and procedures to visit Treasure Island be developed and implemented. Ms. Gravanis inquired about status of wetlands planning, a report on the costs of unrestricted access, and commented on the procedures of recruitment for the Citizens

Advisory Committee. She noted that it was sad to see Delancey Street and TIHDI pitted against each other. She urged that the Board of Supervisor appoint the Citizens Advisory Committee.

Kenn Parsons, U.S. Navy, Treasure Island Base Conversion Manager, conveyed his congratulations to the Authority and staff for the Labor Day festival and termed the staff's performance heroic. He added that in addition to putting on the three day festival, staff also made progress on the Project's day-to-day activities. Mr. Parsons complimented volunteers, AC Transit, Police and Fire Departments and commented on the need to limit public access to Treasure Island.

Eve Bach, Arc Ecology and the Public Trust Group, recommended that existing ferry service include a stop on Treasure Island on weekends and stated that she is glad that a public access program is moving ahead. She complimented the staff on developing recommendations on the solicitation process and for the conduct of the Citizens Advisory Committee.

13. CLOSED SESSION

1. The Authority met in closed session to evaluate the Treasure Island Project Office staff's performance of its duties under the Agency Agreement by and between the City's Treasure Island Project Office and the Treasure Island Development Authority.

Discussion and vote on whether to disclose action taken or discussions held in Closed Session.

Motion that the Treasure Island Development Authority elects at this time not to disclose its closed session deliberations. Passed unanimously.

2. The Authority met in closed session to discuss property negotiations regarding 660 units of housing on Treasure and Yerba Buena islands.

Discussion and vote on whether to disclose action taken or discussions held in Closed Session. Motion that the Treasure Island Development Authority elects at this time not to disclose its closed session deliberations. Passed unanimously.

14. **Adjourned**- The meeting adjourned at 6:10 p.m.

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AGENDA

TREASURE ISLAND DEVELOPMENT AUTHORITY

CITY AND COUNTY OF SAN FRANCISCO

Ferry Building, Suite 3100
San Francisco, California

WEDNESDAY, OCTOBER 21, 1998 1 PM
REGULAR MEETING

Willie L. Brown, Jr., Mayor

DIRECTORS

John Elberling, Vice-Chairperson

Gerald Green

Anne Halsted

James Morales

Donna Provenzano

Doug Wong

Annemarie Conroy

Executive Director

Mayor's Office Treasure Island Project

TREASURE ISLAND DEVELOPMENT AUTHORITY

Disability Access

The Treasure Island Development Authority will meet at the Port Commission office, located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART station is Embarcadero Station located at Market and Steuart Streets. The closest accessible MUNI Metro station is Embarcadero station located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

There is accessible parking at the Ferry Building and at the public lot in the Embarcadero median in front of the Ferry Building. Assistive listening devices are available for use in the Port Commission office.

For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact the Authority at (415) 274-0672 at least 72 hours before a meeting.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Administrative Code 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

Treasure Island Development Authority

Ferry Building, Suite 3100
October 21, 1998 – 1:00 PM

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Ongoing Business by Directors
6. Introduction of New Business by members
7. Report of the Treasure Island Project Director Annemarie Conroy
 - Report on access to Treasure Island including public use last month
 - Status of environmental clean up
 - Report on short term leases
 - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
 - Update on progress of development plan
 - EDC contract update
 - Distribution of draft Master Developer RFQ
 - Response to Civil Grand Jury Report
 - Monthly Financial/Budget Report
 - Report on TIHDI
 - Legislation/hearings affecting Treasure Island
8. Resolution approving MOU with San Francisco Police Department for gymnasium (*Action item*)
9. Resolution amending sublease with Delancey Street (*Action item*)
10. Resolution approving method of selection, procedures and notice for formation of Citizens Advisory Committee (*Action item*)
11. Resolution approving lease with Navy for Police Academy, Sheriff's Center (*Action item*)
12. Resolution approving Cooperative Agreement with U.S. Navy for 1998-1999 (*Action item*)
13. Public Comment

CLOSED SESSION

14. (a) Pursuant to Sunshine Ordinance Section 67.11, the Treasure Island Development Authority may go into closed session to evaluate the Treasure Island Project Office staff's performance of its duties under the Agency Agreement by and between the City's Treasure Island Project Office and the Treasure Island Development Authority.

(b) Pursuant to Sunshine Ordinance Section 67.11, the Treasure Island Development Task Force may go into Closed Session to discuss the following matters:

1

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: Up to 660 housing units on Treasure Island and Yerba Buena Island

Persons negotiating: Annemarie Conroy and Michael Cohen

Under negotiation:

Price Terms of payment Both x

The Treasure Island Development Authority will reconvene in Public Session. Discussion and vote pursuant to Sunshine Ordinance Section 67.14 on whether to disclose actions taken or discussions held in Closed Session.

15. Adjourn

Treasure Island Development Authority

410 Palm Avenue, Building 1

Treasure Island

San Francisco, CA 94130



Ms. Kate Wingerson
Document Library
Main Library
100 Larkin St.
San Francisco, CA 94102

Next regular meeting: Wednesday, November 18, 1998 at 1 p.m.

A binder of supporting material is available for public viewing at the Mayor's Treasure Island Project office, 410 Palm Avenue, on Treasure Island and at the Government Information Center reference desk, Main Library, Civic Center.

Treasure Island Development Authority

Ferry Building, Suite 3100

October 21, 1998 - 1:00 PM

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- 74
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15. Adjourn

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Notes _____



**Treasure Island Development Authority
Minutes of September 16, 1998 Regular Meeting**

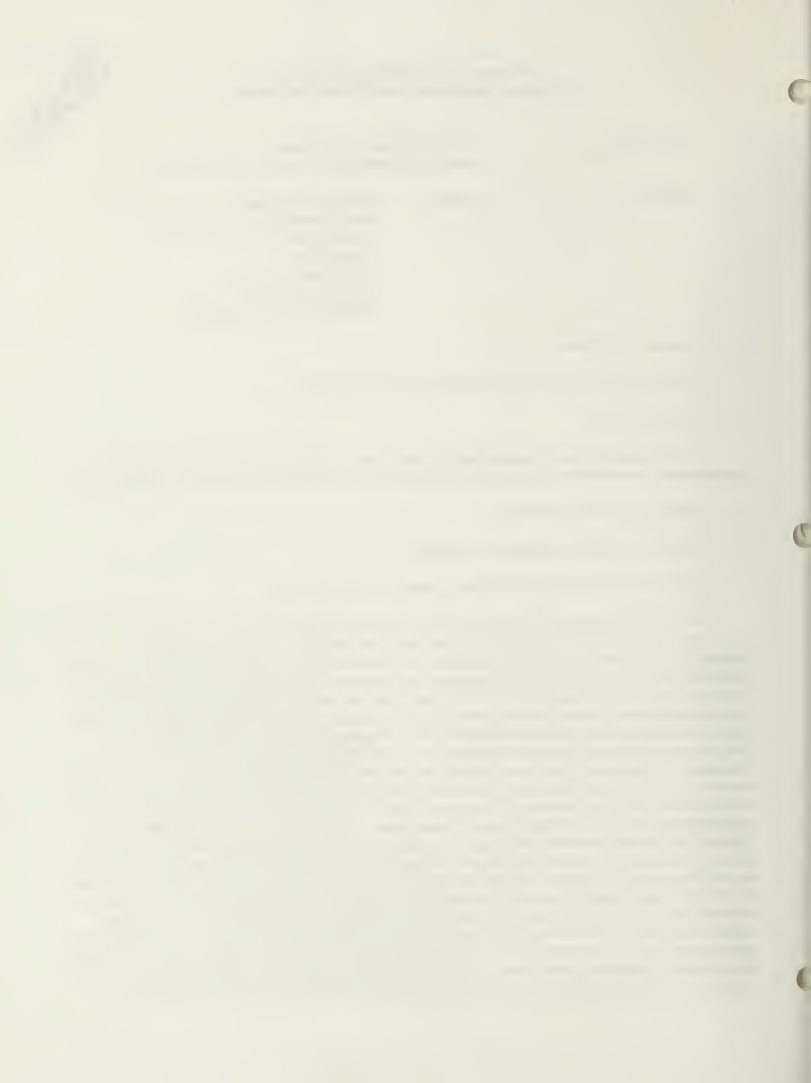
DRAFT

1. Call to Order: 1:10 p.m. in the Meeting Room,
Suite 3100, Port of San Francisco, Ferry Building
2. Roll Call: Present: Dale Carlson, Chair
John Elberling, Vice Chair (1:17)
Anne Halsted
Gerald Green
James Morales (1:25)
Donna Provenzano
Doug Wong (1:15) left (3:04)
3. Approval of Minutes:

The minutes of August 19, 1998 were unanimously approved.
4. Communications

Commission Secretary Rummelsburg indicated that in addition to the two letters noted in the agenda packet, several letters and postcards had been received in support of wetlands on Treasure Island.
5. Ongoing Business by Directors
6. Introduction of New Business by Directors
7. Report of the Treasure Island Project Director, Annemarie Conroy

Ms. Conroy remarked on the need to make a substantial Director's report to substantiate the work of the Project Office. She commented on the hard work and excellence of the 10 staff members in creating a project of which the City can be proud. She stated that staff works 10 hours per day as well as weekends. Ms. Conroy listed each staff member, their responsibilities and achievements, including the rescue of \$200,000 in OEA grant funds. Ms. Conroy noted that staff has weathered Proposition K, and continues to advocate against Caltrans' proposed northern alignment of the East Span of the Bay Bridge. Other recent achievements and involvements include continuing negotiations with the John Stewart Company, hearings before the Board of Supervisors, a \$50,000 grant for an economic and fiscal consultant, the relocation of the Police Academy to Treasure Island, payment by the Police Department to the Navy of CAM charges and restoration of the gym and theatre for future use as public amenities. Still others include Disney's production of "Bicentennial Man" and Nash Bridges' (Ryser Productions) including the construction of Nash Bridges' Police Station. Other projects in process include Delancey Street's Life Learning Academy (on the agenda later), the opening of snack bar and café providing the marina with an amenity, the upcoming issuance of an RFP for an economic development consultant and an RFQ for a master developer. The appraisal process is moving forward, and the successful resolution of the WAPA power allocation resulted in lowering the cost of utilities to Treasure Island. On October 1, contracts with Rubicon, TIHDI and Toolworks will be up and we will renegotiated. In addition, the Project Office has secured assurances from the Navy for \$4 million from the cooperative agreement for next year which will be used to provide critical public services to the islands. The application to continue the cooperative agreement after October, 1999 is due on Friday, September 18th. CAM charges will be a prime item of negotiation. Other developments and actions which will or have already taken place



include: formulating and delivering testimony for three hearings before the Board of Supervisors, positive changes in the TURF program in which the Police Department has created a new civil service position for promising gate guards under the supervision of the Police Department. On-island staff changes of several city departments has created a close city family. Staff issued draft guidelines for the Citizens Advisory Committee and is preparing a response to the Civil Grand Jury. In addition, the Project's newsletter is being redrafted and the Navy museum will forward its collection to San Francisco International Airport which will eventually renovate Building 1. Staff is monitoring the EIS/EIR process with the Planning Department, and is also monitoring the Navy's clean-up schedule emphasizing the priority of completing the housing.. We have an excellent relationship with the Navy.

There has been a substantial expansion in visitors to Treasure Island and staff is planning future events. In the next few weeks whale boat races will be held and in October the harbor master will convene a lottery for 34 marina boat slips. We have opened Treasure Island for the first time since 1939, have a limited access program with necessary public services and have collected \$70,000 in private donations to fund it. Staff has negotiated with Navy to enable this program. The expense of unfettered access is too costly.

The Project Office has hired, on a contract basis, a public information officer who presented (at the meeting) a folder of documents outlining past press releases and the objectives of his position. Allen White then addressed the audience about his experiences about the Labor Day event and how the press interest changed into a more positive slant.

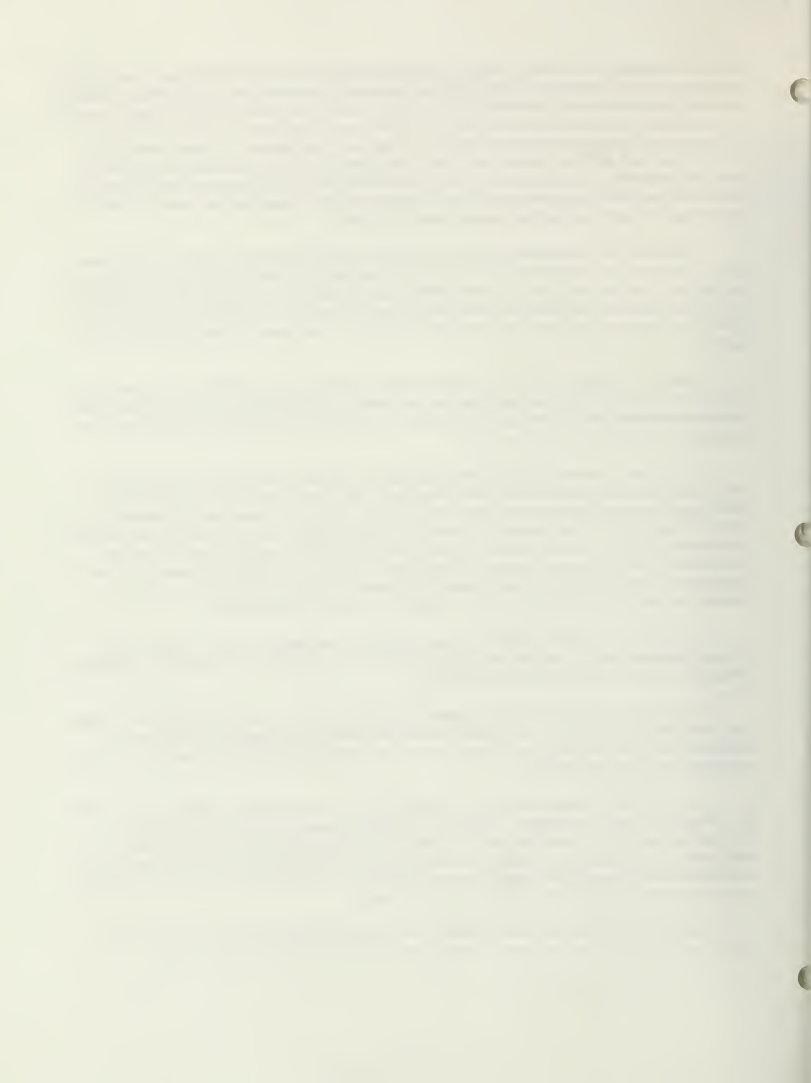
Ms. Conroy commended staff and thanked specific members of the Board of Supervisors and other elected officials who attended the Labor Day event. Ms. Conroy reported that approximately 68,000 people attended "Blues and Art on the Bay" over the Labor Day weekend and that ferries were the choice of transportation. She thanked AC Transit, the Highway Patrol, Police and Fire Departments and Treasure Island staff. Gross revenues were \$460,000 and gross receipts were \$458,000, an excellent outcome since the intention was to simply to break even. Ms. Conroy reported that Treasure Island was the real star. For the event, police service cost \$30,000 and fire protection \$20,000, far more than budgeted on other San Francisco street fairs. The final accounting is being prepared.

Ms. Conroy enumerated events for August which drew the public to Treasure Island. These included numerous picnics, weddings and parties. Ms. Conroy reported that upcoming events included an Alzheimer's Society "Memory Walk" on October 3rd

Ms. Conroy reported that the Navy signed off on Site 12 clean up. In terms of short-term leases, Nash Bridges' has leased Pier 1. The Beijing Acrobats are leaving and the production staff for the X Games will move into the 240 series of housing on Yerba Buena Island on a month-to-month basis with some staff remaining until February.

Ms. Arbuckle, Finance Director, stated that the Project Office received five responses to an RFP for a fiscal and economic consultant. These are mostly familiar names with four having several subcontractors as support. The Selection Committee is being established which will be composed of a staff member from the Mayor's Office of Economic Development, Deputy City Attorney Cohen, a staff member from the Human Rights Commission, and staff from a closing military base. They are hoping to prepare recommendations for the Authority's October meeting.

Ms. Conroy also reported that a draft RFQ for a master developer is being reviewed by Kofi Bonner and that the Authority at its next October meeting will review a draft of the document.



Ms. Conroy reported that TIDA and the Project Office's response to the Grand Jury report is in draft form and is due October 7th. Ms. Conroy stated that any commissioner who would like to review the draft should contact her and that Mr. Cohen stated that formal adoption by the Authority is not required. Dale Carlson requested that drafts should be circulated to all commissioners and announced that Mr. Morales and Mr. Elberling will supervise editing of the final version.

Ms. Conroy reported that Project Staff had two productive meetings with TIHDI and will be meeting again with TIHDI and the John Stewart Company. She will report on these meetings at the next Authority meetings in October.

Ms. Conroy reported that the self-insurance resolution approved by the Authority in May was approved by the Board of Supervisors and signed by Mayor. Supervisor Michael Yaki has a proposal before the Board to add three members to the Authority. She also reported that staff will respond to Yaki's request for an access plan.

Mr. Morales indicated his concern with a new media strategy which he characterized as "slash and burn" for those organizations implying that TIDA is incompetent. He stated that we shouldn't telegraph our strategy and specifically noted the references to Terry Pimsleur, Caltrans and the San Francisco and Alameda County Labor Councils. He supports media strategy that is responsive to unfair criticism. Mr. White responded that Caltrans' attacks were vicious. Ms. Conroy stated, however, that she has taken note of Mr. Morales' comments.

Mr. Elberling also stated that he was not comfortable with the material distributed by Mr. White and cannot endorse it as it stands. Mr. Elberling commended staff for their hard work for the Labor Day weekend and asked staff to evaluate bus and ferry service in light of a complete logistical analysis of the transportation system. Ms. Conroy responded that staff in the process of such evaluation.

Mr. Elberling inquired about two items with regard to TIHDI. The first was the status of a lease approved by the Task Force to grant Goodwill space for a parking lot for its trucks. Ms. Conroy stated that she would want to consult with the City Attorney's Office and stated further that bringing heavy trucks onto Treasure Island must be evaluated in light of environmental issues. Ms. Conroy stated that she would like the Development Authority to review the lease. Mr. Elberling added that TIDA owes Goodwill an explanation. In addition, earlier this year Goodwill informally proposed a snack bar/convenience store at the entry gate. Ms. Conroy stated that she had not heard about the proposal but had talked with Goodwill about a convenience/grocery store as part of the John Stewart project. Mr. Elberling stated that Project staff had made a commitment to Goodwill for a small snack bar at the gate.

Mr. Elberling asked about housing priorities and stated that he had reviewed earlier TIDA minutes indicating that this was a subject for a policy discussion at the Authority. How is Authority going to make this decision? Mr. Cohen stated that there are two responses: If there was a question about the specific setting of rents and priority preferences under the John Stewart contract, that would be appropriate for a closed session and two Commissioners would have to recuse themselves from that discussion. Alternatively, the Authority could decide to put on the agenda a discussion of island-wide housing preferences. Mr. Elberling stated that he did not believe that it would be legal for the John Stewart Company to propose that a portion of the available housing be set aside for a specific set of users. The question of priorities, however, is a policy matter for the whole Authority. Mr. Cohen stated that the setting of rents for the John Stewart project is appropriate for closed session because it is relevant to the economics of the John Stewart contract. Mr. Cohen stated that it was appropriate under the Brown Act and the Sunshine Act to schedule an item on the October agenda to establish a housing policy for Treasure Island.



Chair Carlson congratulated staff on its hard work over the Labor Day weekend and, on behalf of Authority, thanked staff.

Public comment on Item 7:

Bruce Franks, job-broker for TIHDI, distributed a brochure on TIHDI's job brokerage and introduced himself and stated that he was in dialogue with the Project Office about setting up a structure for workforce development issues. Mr. Franks is concerned that TIDA's lessees are unaware that they are required to have a hiring plan or workforce agreement. The Authority should direct lessees to talk with Bruce Franks and should insist that each lease should contain such wording. Mr. Franks stated that perhaps a lease should not be approved if such a procedure is not followed. Ms. Conroy responded that production staff for the X games may lease space on Yerba Buena Island and she has approached them about hiring Toolworks and Rubicon personnel. The Project Office is pleased to refer lessees like Disney and Nash Bridges to TIHDI.

Ms. Conroy distributed hats and tee shirts to each of the TIDA directors. She also thanked volunteers from Walden House and Delancey Street for their hard work.

8. Resolution approving selection of environmental consultant (*Action item*)

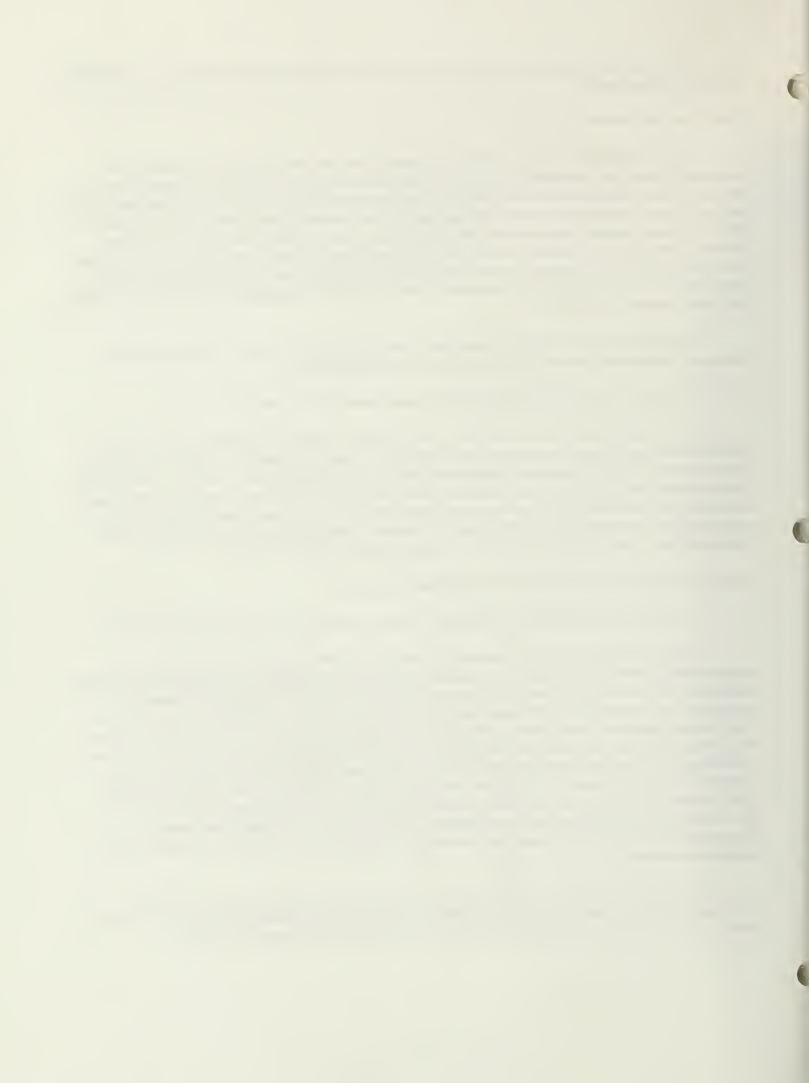
Since Martha Walters was not present, Steve Mollinex from the Department of Public Works explained that the purpose of the contract was to provide as needed services for \$100,000. He stated that the consultant selection process was complete and that the committee had made a selection. Mr. Elberling asked on what particular projects the consultant would work, and Mr. Mollinex referred Mr. Elberling to the scope of services detailed in the contract and added that the firm will work with Navy in its clean up responsibilities. In response to Mr. Elberling, Mr. Mollinex stated that the marina would be a primary project and Ms. Conroy added that the Navy's housing clean-up would be another.

Moved by Wong, seconded by Halsted to adopt item 8, passed 7-0.

9. Resolution approving lease with Delancey Street for yacht club and youth center (*Action item*)

Executive Director Conroy introduced Dr. Mimi Silbert, President of Delancey Street, who explained the purpose of the project. Two of the six components in the Mayor's Juvenile Justice program relate to the Life Learning Academy which teaches "at-risk" kids three vocational skills, academics, social skills, and non-violence. Delancey Street has also agreed to house 30 "at-risk" girls who have no other housing resources. The Academy will operate every day from 8 am to 10 p.m. Dr. Silbert stated that Delancey Street has searched for other sites for the Academy and housing. She added that the State of California gave the City funding and that Delancey Street must implement Life Learning Academy. Delancey Street has worked with TIHDI and the Project Office to identify for use structures in which TIHDI had no plans or interest. Dr. Silbert stated that it is imperative that Delancey Street start work on the café and Life Learning Academy by September 1, 1998 so that the California Department of Corrections will not revoke funding already awarded to Delancey Street. The City has pleaded with the state for an extension.

Mr. Morales asked how kids are referred to the Life Learning Academy, and Dr. Silbert responded that referrals came from the City's Department of Social Services, the Juvenile Court, the San Francisco Unified School District, and the Mayor's new Juvenile Justice assessment center.



Public Comment on item 9:

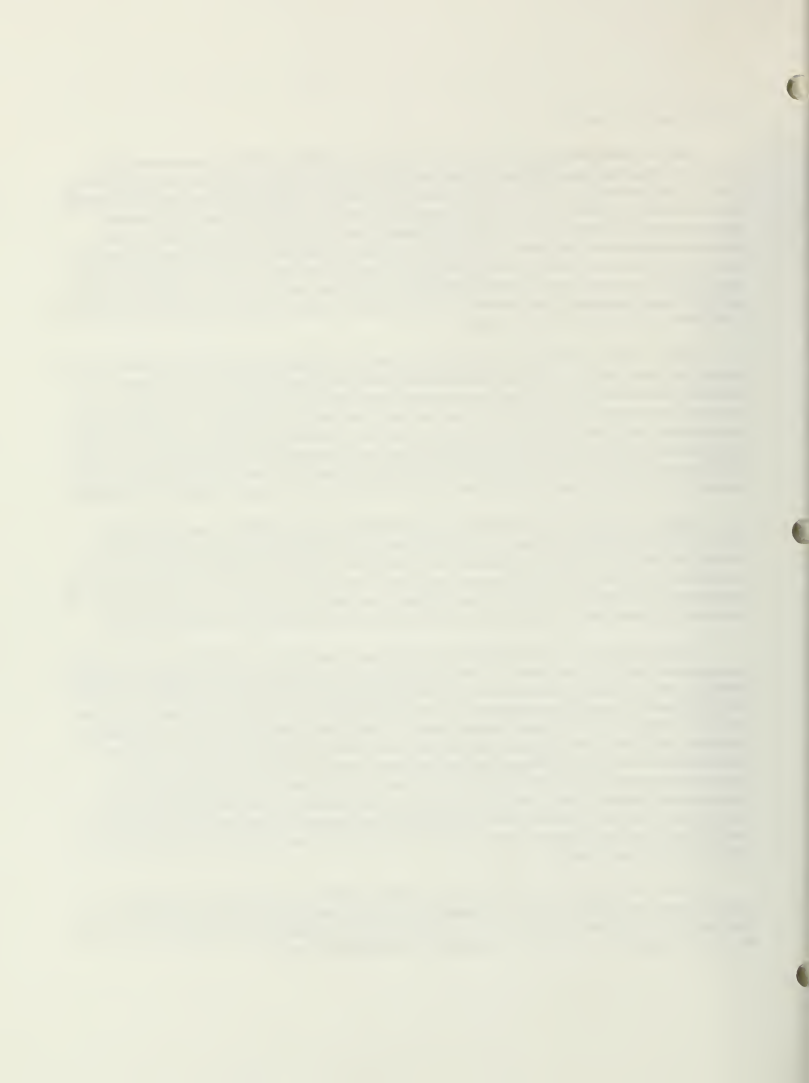
Before public testimony, Ms. Conroy announced that staff was offering amendments to the resolution. These had been distributed to the Commissioners before the meeting and were responsive to TIHDI. They are as follows: The first amendment was to reflect a change in the Sublease that expanded the consideration payable to the Authority under the Sublease to include 2% of the gross revenues generated from the operation of the café, after Delancey Street recovers its costs of making certain required improvements. The second amendment was to add a "resolved" clause that the operation of the café, the youth center or the Life Learning Academy under the Sublease would not constitute or diminish any of TIHDI's economic development opportunities on the Base, and that no use or program proposed by TIHDI would be denied by the Authority on grounds that it was inconsistent or duplicative of the café, youth center or the Life learning Academy.

Sherry Williams, TIHDI, stated that she had concerns with process, how this lease came about, its fairness and how interim users interact with each other to make Treasure Island's reuse successful. Ms. Williams stated that she will not direct her comments about Delancey Street or the value of the project. She noted that no member of the TIHDI consortium has a lease with the Authority. She referred to an approved lease with Goodwill Industries which has not been implemented. She indicated concern with the August closed session on the proposed Delancey Street lease. She stated that Delancey Street never told TIHDI about its interest in the café but that TIHDI had approached the Project Office in the past about its interest. Ms. Williams stated that TIHDI wants to share in the economic opportunities on Treasure Island.

Matt Starr stated that there has been inadequate notice regarding TIDA's lease with Delancey Street. He asked Authority members how long they have known about the lease and emphasized the necessity for integrating TIHDI's program into the re-use plan. He stated that TIHDI has not been able to advance its plan, and asked why Delancey Street has been able to do so. Mr. Starr stated that Goodwill had had a proposal pending before the Project Office for two months which has not been acted upon. Mr. Starr stated that there are two issues: there is no process and how does staff move projects forward?

Steve Bingham, S.F. Neighborhood Legal Assistance Foundation, stated that last month's closed session was a violation of the Brown Act. He stated that there were too many things hidden in the process but that he does not want to prevent Delancey Street from going forward. TIDA's existing contract with HUD (Section 4c2a) requires the Authority to notify TIHDI when any economic conveyance may come available. Since the snack bar could generate money, it can be considered as an economic conveyance. All parties should have been brought together to talk about Delancey Street's proposal. Mr. Bingham proposed that the resolution go forward but that the lease be left in draft form for 30 days so that discussions may ensue between the Director, TIHDI and Delancey Street. Language is needed in the lease requiring Delancey Street to engage in discussions with TIHDI about the compatibility of uses between the two groups. There must also be wording in the lease stating that if the lease conflicts with the HUD agreement, then the agreement governs. The lease with Delancey Street should be solely two years, without options to extend.

Harlan Van Wye, Vice Commodore of the Treasure Island Yacht Club and boat owner at Treasure Island, complimented staff on the Blues Festival. He stated that he is pleased with lottery and that Building 183 will be in use again. He commented that the proposed use is an excellent one. Mr. Van Wye also suggested some corrections to the contract with Delancey Street.



Authority member Wong stated that he had to leave the meeting but that he was in favor of the lease with Delancey Street, complemented them on their excellent work and commented that Delancey Street were excellent tenants of the Port.

Kimiko Burton, Director of the Mayor's Criminal Justice Council, stated that her agency was the fiscal agent for the state Board of Corrections which has given the City \$5.5 million over three years. She stated that Delancey Street's project needed to be up and running immediately and that the City's future applications for new money in state budget for Juvenile Justice will be dependent on implementing projects that had already been funded. Ms. Burton added that the resolution is not about TIHDI, but is about whether Delancey Street and its partners (consisting of no fewer than seven city departments) can build its school and turn the tide of juvenile justice. She stated that Delancey Street had given TIHDI the right of first refusal for structures on Treasure Island. The café is simply a place in which students can learn basic culinary skills and is not intended as a big money maker. Ms. Burton also stated that a 30-day delay on voting on the lease will "seal the project's fate" because a site visit by the State Board of Correction's site monitor is scheduled for the end of September and the City and Delancey Street must show progress or lose money.

Eugene Clendinen, Mayor's Criminal Justice Council and fiscal agent, stated that unless the lease was approved today that \$2,500,000 of state funds and \$5,000,000 of federal funds would be jeopardized.

Rick Mariano, Delancey Street Board member, stated that project is very important for improving the life of kids in the juvenile justice system. The school must be opened now. The café will benefit Treasure Island.

Gerald Miller, Delancey Street resident, testified that as a Delancey Street volunteer, he enjoyed driving the cable cars over the Labor Day weekend and that the kids enrolled in the Life Learning Academy were looking forward to coming to Treasure Island.

Redmond Kernan, marina proposer, testified that he could work with Delancey Street's proposal. He urged the Authority to approve the proposal and asked when the Authority would act on the Marina proposals.

Commissioner Provenzano asked Deputy City Attorney Cohen the legality of taking action on the item today. Mr. Cohen acknowledged that he and Mr. Bingham disagreed on the issue of notice and stated further that he believed that the matter had been properly noticed under the Brown and Sunshine Acts and that if the Authority decided to proceed in approving the proposal, that its action would be in conformance with applicable law.

Commissioner Green stated that he had talked with Kimiko Burton about the project and the Juvenile Justice Program. He emphasized that Treasure Island is part of San Francisco and that Delancey Street's program is valuable and that San Francisco has an extreme need for this type of program. Mr. Green also noted that he was impressed that the City and Delancey Street had searched for other sites within the City. But there is an extreme need.

Commissioner Morales stated that he had worked with low-income youth and there is a need for these services especially for young women. He added that because funding may be lost if the Authority does not act, the Authority must be flexible in these types of circumstances. He asked that two points be explored: the relationship of this sublease and the City's agreement with TIHDI that had been approved by the federal Department of Housing and Urban Development. He asked if there are there problems with an additional lease provision which would state the consistency. In addition, he moved to add a provision



to require Delancey Street and other lessees to ensure compatibility of use. Mr. Morales stated that he preferred to keep the lease term as it is.

Ms. Conroy proposed two additional amendments: 1) The Treasure Island Project Office shall facilitate meetings with Delancey Street and TIHDI to determine appropriate integration of their programs. 2) The Treasure Island Development Authority is to approve any changes for a significant physical expansion of of Building 183.

Mr. Morales stated that the two amendments do not address the TIHDI agreement and asked if there be a problem in stating that the TIHDI agreement would be binding. Mr. Cohen reiterated that until the EIR/EIS for the redevelopment and reuse plans were submitted to and certified by the Board of Supervisors that the Authority has no legally binding agreement with HUD or TIHDI. As a policy matter, however, the Authority has acted in the past as if the agreement has been binding. In reality, the current agreement with TIHDI has been endorsed and not approved by the Board.

Mr. Morales asked that irrespective of its legality, is there anything in the agreement that is problematic in terms of providing that the provisions that the agreement would prevail. Mr. Morales added that he is aware that the economic development provisions of the agreement are not exclusive to TIHDI. He asked if the Authority could go forward with the sublease and then at next meeting amend the sublease to include language to permit the substantive provisions of the LBA supercede the lease with Delancey Street in the event of a conflict. Mr. Cohen stated that we could do this, and in the interim review closely the provisions of the LBA.

Mr. Morales made a motion that that this be scheduled for the October agenda. It was approved unanimously.

Mr. Elberling asked how Delancey Street's opening of the café would affect the RFP for the marina and does it require the authority to amend the RFP? Mr. Cohen stated that the RFP process reserved for the Authority extensive rights in amending the premises description as well as the final development agreements. He further stated that the Authority could provide notice to the three competitors of the Delancey lease. In addition, the Authority has the discretion under the terms of the sublease with Delancey Street not to extend the term of the sublease. It is a policy question for TIDA to decide if the marina proposers could amend their submittals to accommodate this sublease. Ms. Conroy stated that the proposed café would not impede major development. She stated that "this is much ado about a shack". Harbormaster Marianne Conarroe stated that the Authority would be presented with a recommendation for the marina development at its October meeting.

Mr. Elberling stated that he is heartened that real human and social services are coming to Treasure Island. He would, however, like to further discuss the process for bringing development and leases before the Authority. He asked why Delancey Street gets the green light, and why TIHDI gets a yellow or red light and if there's a double standard in evaluating and moving forward TIHDI's proposals. Mr. Elberling stated that it is imperative to move forward with TIHDI's agenda including an economic development activity. Performance is the most convincing answer. Ms. Conroy responded that the Project office will facilitate meetings between TIHDI and Delancey Street. Ms. Conroy also stated that she has been working with the John Stewart Company to integrate the rehabilitation of TIHDI's units with the Authority's.

Mr. Morales moved an amendment to the amended resolution. Moved by Morales, seconded by Halsted to adopt item 9, passed 6-0.

Ms. Halsted stated that she was pleased that everyone is working together.

2. The second part of the document focuses on the financial aspects of the organization. It provides a detailed breakdown of the budget, including income and expenses, and discusses the strategies used to manage the funds effectively. This section also includes a comparison of the current financial performance with the previous year, highlighting the areas of improvement and the challenges faced.

3. The third part of the document addresses the operational aspects of the organization. It describes the various departments and their functions, as well as the processes used to coordinate and execute the organization's activities. This section also discusses the challenges faced by the organization in terms of resource allocation and the need for continuous improvement.

4. The fourth part of the document discusses the future plans of the organization. It outlines the goals and objectives for the next year, as well as the strategies used to achieve them. This section also includes a discussion of the potential risks and challenges that may arise, and the measures taken to mitigate them.

5. The fifth part of the document provides a summary of the key findings and conclusions of the report. It highlights the main points discussed in the previous sections and provides a clear and concise overview of the organization's performance and future prospects. This section also includes a list of recommendations for the organization, based on the findings of the report.

10. Resolution approving amendment to lease with United States Navy for South Waterfront properties (*Action item*)

This item was continued to the October 21, 1998 meeting

11. Resolution approving acceptance of gifts for public access program (*Action item*)

Ms. Conroy stated that the Project Office has been working closely with the Navy to develop an access program and that in order to get the Navy to open the western shoreline of Treasure Island to public access, specific actions must be taken to keep members of public out of unsafe areas. Since Treasure Island must be financially self-sufficient, additional funds are necessary to offer such access. The Project Office to date has collected \$70,000 from three donors. Ms. Conroy stated that in order to comply with the law that gifts to government agencies cannot be anonymous, the identity of donors must be disclosed. Thus, the resolution must be amended to disclose the identity of the third donor, Ambassador Bill Lane.

Commissioner Morales asked if the Board of Supervisors must give their approval to accept the gift and Mr. Cohen stated that this was not necessary. Mr. Morales stated further that the Authority must thank the three donors.

Commissioner Green commended staff on obtaining the contributions.

12. Public Comment

Ruth Gravanis, Treasure Island Wetlands Project, suggested that in its closed session evaluation of staff that the Authority examine the agency agreement. She urged that an access plan and procedures to visit Treasure Island be developed and implemented. Ms. Gravanis inquired about status of wetlands planning, a report on the costs of unrestricted access, and commented on the procedures of recruitment for the Citizens Advisory Committee. She noted that it was sad to see Delancey Street and TIHDI pitted against each other. She urged that the Board of Supervisor appoint the Citizens Advisory Committee.

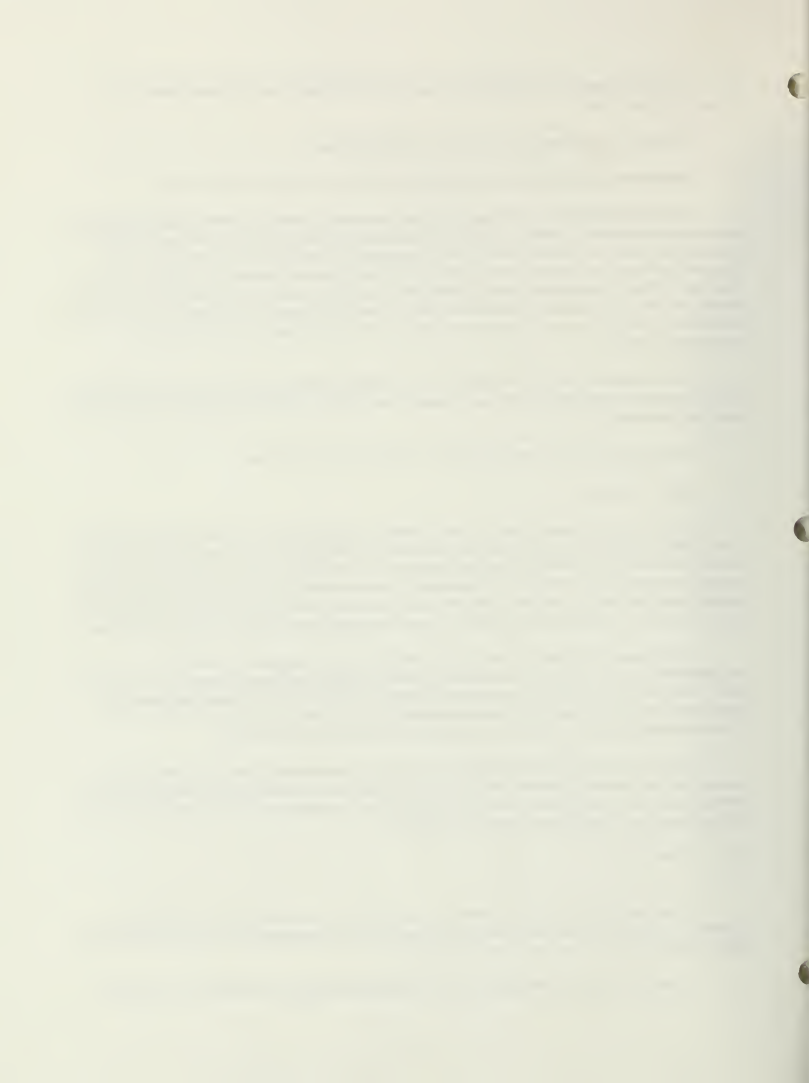
Kenn Parsons, U.S. Navy, Treasure Island Base Conversion Manager, conveyed his congratulations to the Authority and staff for the Labor Day festival and termed the staff's performance heroic. He added that in addition to putting on the three day festival, staff also made progress on the Project's day-to-day activities. Mr. Parsons complimented volunteers, AC Transit, Police and Fire Departments and commented on the need to limit public access to Treasure Island.

Eve Bach, Arc Ecology and the Public Trust Group, recommended that existing ferry service include a stop on Treasure Island on weekends and stated that she is glad that a public access program is moving ahead. She complimented the staff on developing recommendations on the solicitation process and for the conduct of the Citizens Advisory Committee.

13. Closed session

1. The Authority met in closed session to evaluate the Treasure Island Project Office staff's performance of its duties under the Agency Agreement by and between the City's Treasure Island Project Office and the Treasure Island Development Authority.

Discussion and vote on whether to disclose action taken or discussions held in Closed Session.



Motion that the Treasure Island Development Authority elects at this time not to disclose its closed session deliberations. Passed unanimously.

2. The Authority met in closed session to discuss property negotiations regarding 660 units of housing on Treasure and Yerba Buena islands

Discussion and vote on whether to disclose action taken or discussions held in Closed Session. Motion that the Treasure Island Development Authority elects at this time not to disclose its closed session deliberations. Passed unanimously.

14. Adjourned

The meeting adjourned at 6:10 p.m.

7
TREASURE ISLAND DEVELOPMENT AUTHORITY
LETTERS RECEIVED FROM SEPTEMBER 3, 1998 TO OCTOBER 7, 1998

RECEIVED FROM

Paul Fishman
Susan Bradfield
John Maybury
Joan and Karen Nelson
Sidney Hollister

SUMMARY

In support of wetlands
In support of wetlands
In support of wetlands
In support of wetlands
In support of wetlands





Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Authorizing Executive Director to enter into MOU with the San Francisco Police Department (SFPD) for the use of fitness center facilities

Agenda No. 8

Contact Person/Phone: Daniel Hwang

Meeting Date: October 21, 1998

SUMMARY OF ACTION: The MOU provides that the SFPD is required to make seismic, ADA and other improvements to the premises costing approximately \$166,000 and to pay monthly operating costs, including utilities and the Navy's Common Area Maintenance (CAM) charges costing approximately \$12,000 per month. Under the MOU, the SFPD will be allowed to use the premises from 6 a.m. to 6 p.m. during the week, and the Authority will have the right to allow special events or organized athletic activities during the evenings and on weekends.

ATTACHMENTS: See Exhibit A for MOU.



1 [MOU with San Francisco Police Department]
2 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MOU WITH THE SAN
3 FRANCISCO POLICE DEPARTMENT FOR THE USE OF CERTAIN PHYSICAL FITNESS
4 FACILITIES

5 WHEREAS, On May 2, 1997, the Board of Supervisors passed
6 Resolution No. 380-97, authorizing the Mayor's Treasure Island
7 Project Office to establish a nonprofit public benefit corporation
8 known as the Treasure Island Development Authority (the "Authority")
9 to act as a single entity focused on the planning, redevelopment,
10 reconstruction, rehabilitation, reuse and conversion of former Naval
11 Station Treasure Island (the "Base") for the public interest,
12 convenience, welfare and common benefit of the inhabitants of the
13 City and County of San Francisco; and,

14 WHEREAS, Under the Treasure Island Conversion Act of 1997,
15 which amended Section 33492.5 of the California Health and Safety
16 Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968
17 (the "Act"), the California legislature (i) designated the Authority
18 as a redevelopment agency under California redevelopment law with
19 authority over the Base upon approval of the City's Board of
20 Supervisors, and, (ii) with respect to those portions of the Base
21 which are subject to the Tidelands Trust, vested in the Authority the
22 authority to administer the public trust for commerce, navigation and
23 fisheries as to such property; and,

24 WHEREAS, The Tidelands Trust prohibits the sale of trust
25 property into private ownership, generally requires that Tidelands



1 Trust property be accessible to the public and encourages public-
2 oriented uses of trust property that, among other things, attract
3 people to the waterfront, promote public recreation, protect habitat
4 and preserve open space; and,

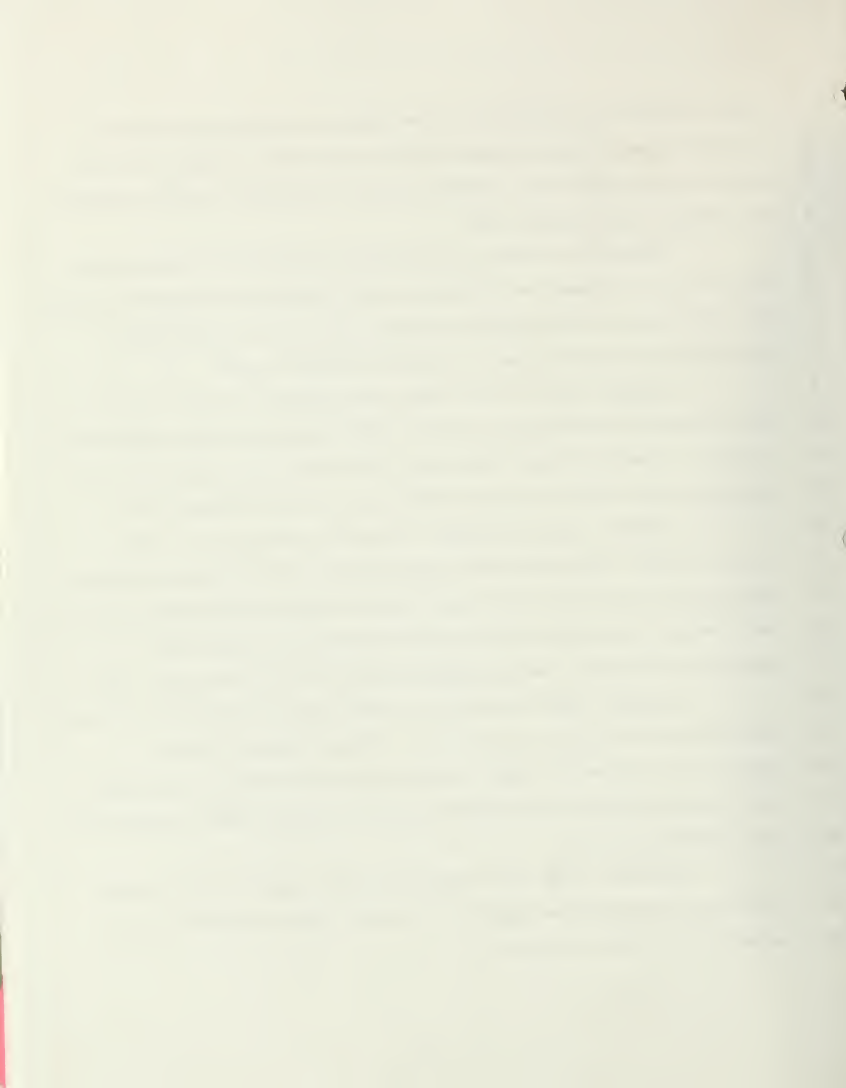
5 WHEREAS, In order to facilitate productive reuse and job
6 creation on the Base, the Authority has licensed and intends to lease
7 from the Navy certain physical fitness facilities on the Base,
8 including Buildings 402 and 497 (the "Premises"); and,

9 WHEREAS, The Project Office has negotiated the terms of an
10 Memorandum of Understanding with the San Francisco Police Department
11 ("SFPD"), a substantially final copy of which is attached hereto as
12 Exhibit A (the "MOU"), for the SFPD's use of the Premises; and

13 WHEREAS, Under the MOU, the SFPD is required to make
14 certain seismic, ADA and other improvements to the Premises costing
15 approximately \$166,000 and to pay certain monthly operating costs of
16 the Premises (including utilities and the Navy's Common Area
17 Maintenance charges) costing approximately \$12,000 per month; and

18 WHEREAS, Under the MOU, the SFPD will be allowed to use the
19 Premises from 6:00 a.m. to 6:00 p.m., Monday-Friday, and the
20 Authority will have the right to allow special events or organized
21 athletic activities at the Premises during evenings and on weekends;
22 now, therefore, be it

23 RESOLVED, That the Authority hereby approves the MOU and
24 authorizes the Executive Director to enter into on behalf of the
25 Authority the MOU; and, be it





MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is made and entered into as of this _____ day of October , 1998, by and between the San Francisco Police Department (the "SFPD"), and the Treasure Island Development Authority (the "Authority"), acting by and through the Mayor's Treasure Island Project Office (the "Project Office").

RECITALS

A. Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (collectively, the "Base") which is currently owned by the United States of America, acting by and through the United States Navy (the "Navy").

B. The Navy ceased operations on the Base on or about September 30, 1997.

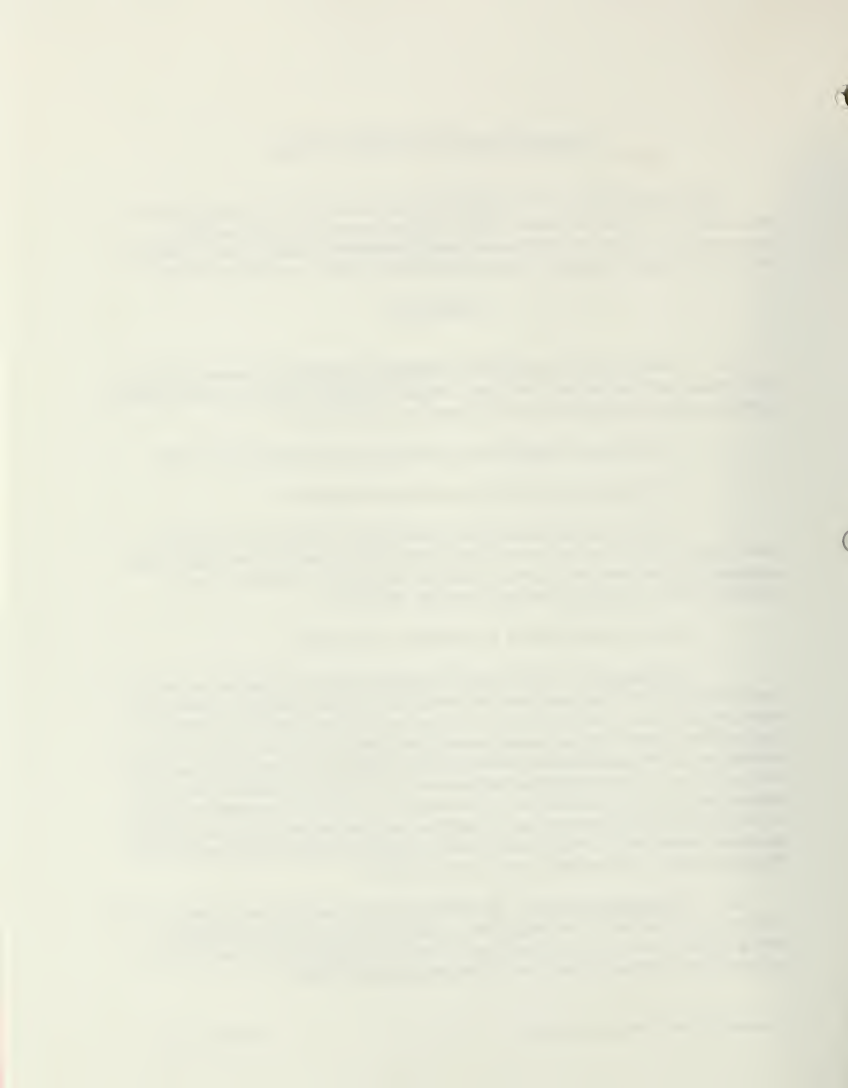
C. The Authority is the Local Reuse Authority for the Base

D. The Navy and the Authority have entered into or will enter into a lease (the "Master Lease") granting the Authority and the City the right to use and operate those certain gymnasium facilities commonly known as Buildings 402 and 497 on the Base, as more particularly shown on Exhibit A attached hereto (the "Premises").

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Permitted Use The SFPD agrees to upgrade, operate, manage and maintain the Premises subject to the terms, conditions, and restrictions set forth in the Master Lease and as further provided below. The SFPD may use the Premises only from 6:00 a.m. to 6:00 p.m., Monday-Friday without the prior written consent of the Executive Director of the Authority. At all other times, the Project Office shall have the exclusive right to use or permit the use of the Premises for special events or organized athletic activities. Private, commercial, users of the Premises shall reimburse the SFPD for utilities based on the Authority's reasonable estimate of the cost of utilities allocable to such use. In addition, such private, commercial users shall be required to contract for the services of an off-duty, 10-B, SFPD officer during such uses of the Premises to protect SFPD property located on the Premises.

2. Compliance with Laws. The SFPD shall operate the Premises in compliance with all existing and future laws, rules, regulations, ordinances, edicts and the like, affecting or relating to its use of or operation of the Premises. Without limiting the foregoing, the SFPD shall obtain any approvals related to any Alterations (as defined below).



3. Compliance with Master Lease. The SFPD shall operate and otherwise occupy the Premises in compliance with the terms and conditions of the Master Lease, a copy of which is attached hereto as Exhibit B and incorporated herein by reference, and this MOU shall be subject and subordinate to such Master Lease. The SFPD shall not conduct operations, nor make any alterations, that would interfere with or otherwise restrict environmental clean-up or restoration actions by the Navy, the Environmental Protection Agency, the State of California or their contractors.

4. No Nuisance. The SFPD shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Property. The SFPD shall take all precautions to eliminate any nuisances or hazards relating to its operation or other occupancy of the Premises.

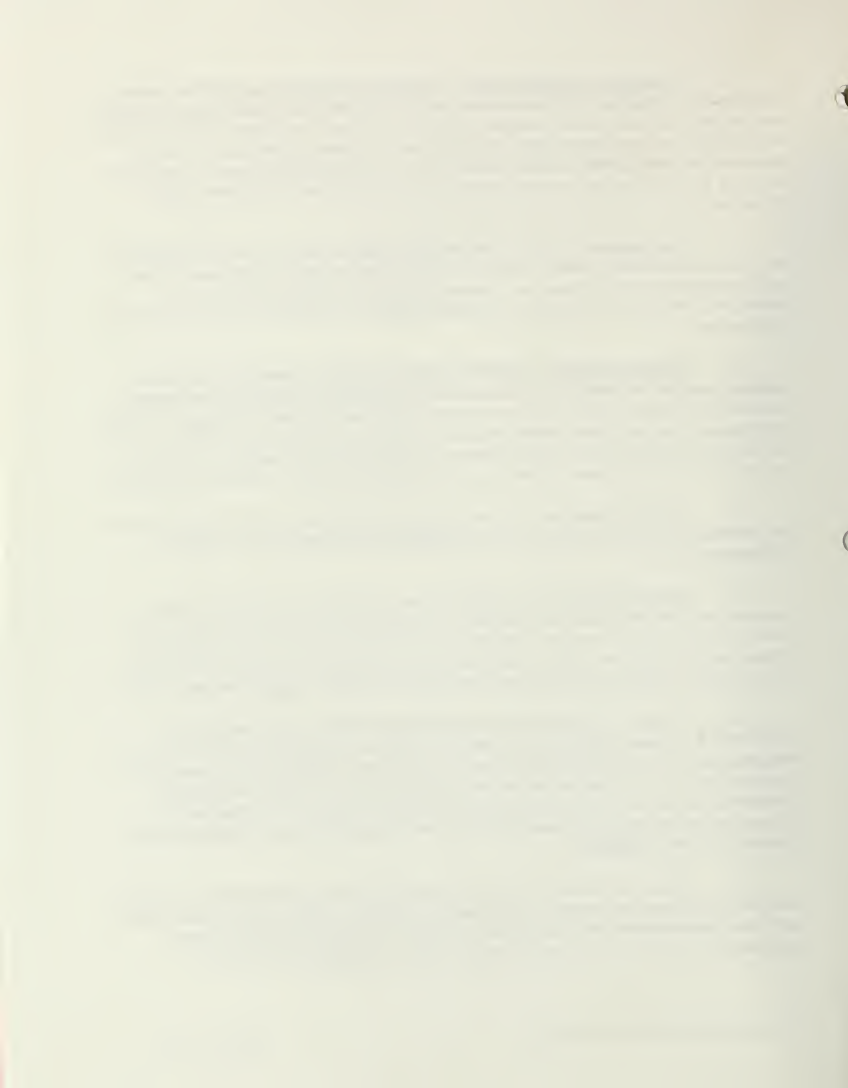
5. Hazardous Materials. The SFPD shall not permit any hazardous substance or material (as defined in any federal, state or local law or regulation, including but not limited to petroleum products and asbestos) to be used, stored, maintained, released, or transported on or in the Premises or any part thereof without the prior written consent of the Project Office; provided, the foregoing shall not prohibit the SFPD from using ordinary cleaning supplies in customary amounts in or on the Premises, or from using motor vehicles for access to and from the Premises.

6. Required Alterations. Prior to occupying the Premises, the SFPD shall complete the improvements to the Premises described on Exhibit C attached hereto (the "Required Improvements").

7. Permitted Alterations. In addition to any consents required under the Master Lease and except as specifically provided herein, the SFPD shall not construct, install, make or permit to be made any improvements, alterations, installations or additions in, to or about the Premises without the Project Office's prior consent in each instance. The Project Office hereby acknowledges its approval of the Required Alterations described on Exhibit C attached hereto

8. Utilities. the Authority shall cause the basic building utilities and services described in the attached Exhibit D. (the "Standard Utilities and Services") to be provided to the Premises, subject to the terms and conditions contained therein. SFPD shall be responsible for furnishing, at its sole costs, any utilities or services other than or in excess of the Standard Utilities and Services that SFPD may need for its use of the Premises. SFPD shall pay all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit D.

9. Costs. In exchange for its right to occupy the Premises, SFPD shall pay all costs associated with the use and operation of the Premises, including, without limitation, the costs of any Alterations, utilities or any common area maintenance charges assessed by the Navy (together, the "Gym Costs") as more particularly shown on Exhibit F attached hereto.



10. Additional Users. Subject to the prior written consent of the Authority, the SFPD may enter into memorandums of understanding or other agreements with the San Francisco Fire Department and/or the San Francisco Sheriff's Office regarding the shared use of the Premises on the same terms and conditions contained in this MOU that provides for all such users to share the costs of rehabilitating and operating the Premises.

11. Effective Date. The effective date of this MOU shall be the first date following the full execution of this MOU by all parties set forth below.

12. Term. The term of this MOU shall be coterminous with the term of the Master Lease.

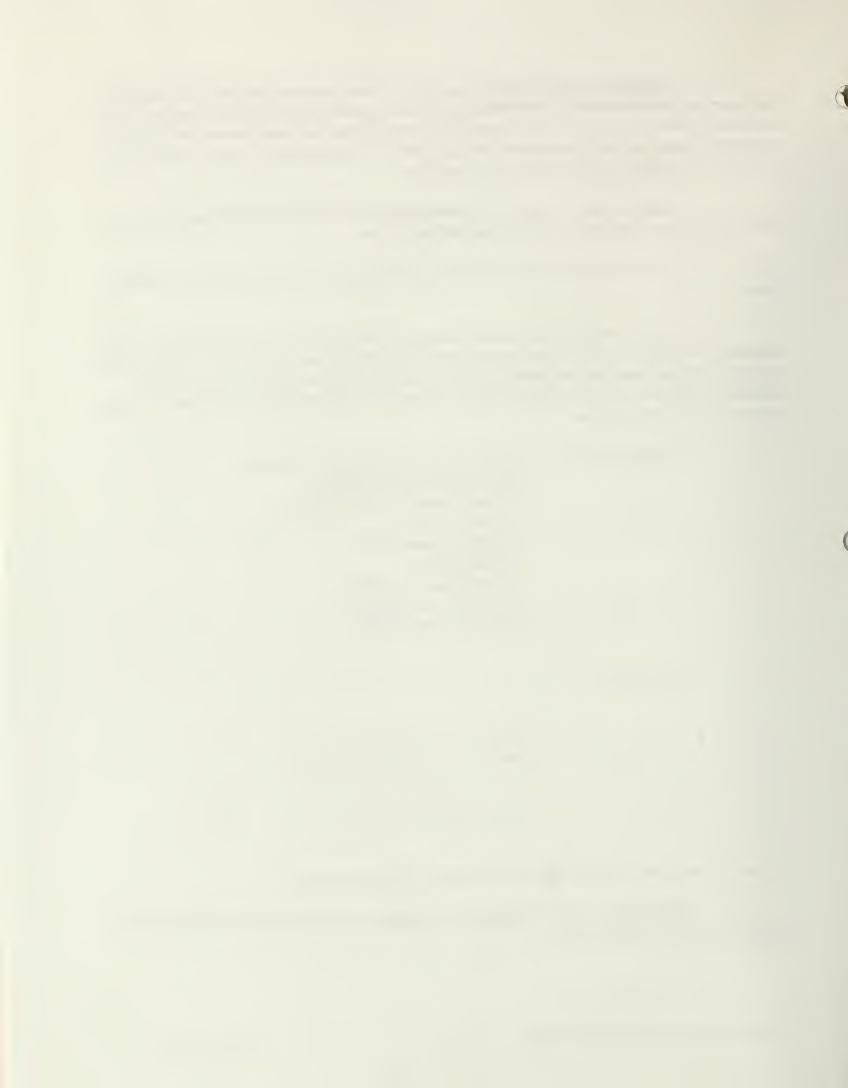
13. Notices. All notices, consents or approval which may be required to be given by either party hereunder shall be in writing and shall be deemed to have been given when delivered in person, or when faxed and deposited in the U.S. Mail, postage prepaid, or when sent via nationally-recognized overnight courier that guarantees next day delivery and provides a receipt therefore, addressed as follows:

to Project Office: Treasure Island Development Authority
Treasure Island Project Office
City and County of San Francisco
410 Palm Avenue
Building 1, Room 229
Treasure Island
San Francisco, CA 94130
Attn: Executive Director
Fax No: 415-274-0229

to the SFPD:

or to such other address as either party may designate from time to time.

14. Modifications. This MOU may be amended or modified only by a writing signed by the Project Office and the SFPD.



IN WITNESS WHEREOF, the parties have caused this MOU to be executed as of the date first written above.

SAN FRANCISCO POLICE DEPARTMENT

TREASURE ISLAND DEVELOPMENT
AUTHORITY, acting by and through the,
TREASURE ISLAND PROJECT OFFICE

Annemarie Conroy
Executive Director

APPROVED AS TO FORM
LOUISE H. RENNE, City Attorney

By: _____
Deputy City Attorney

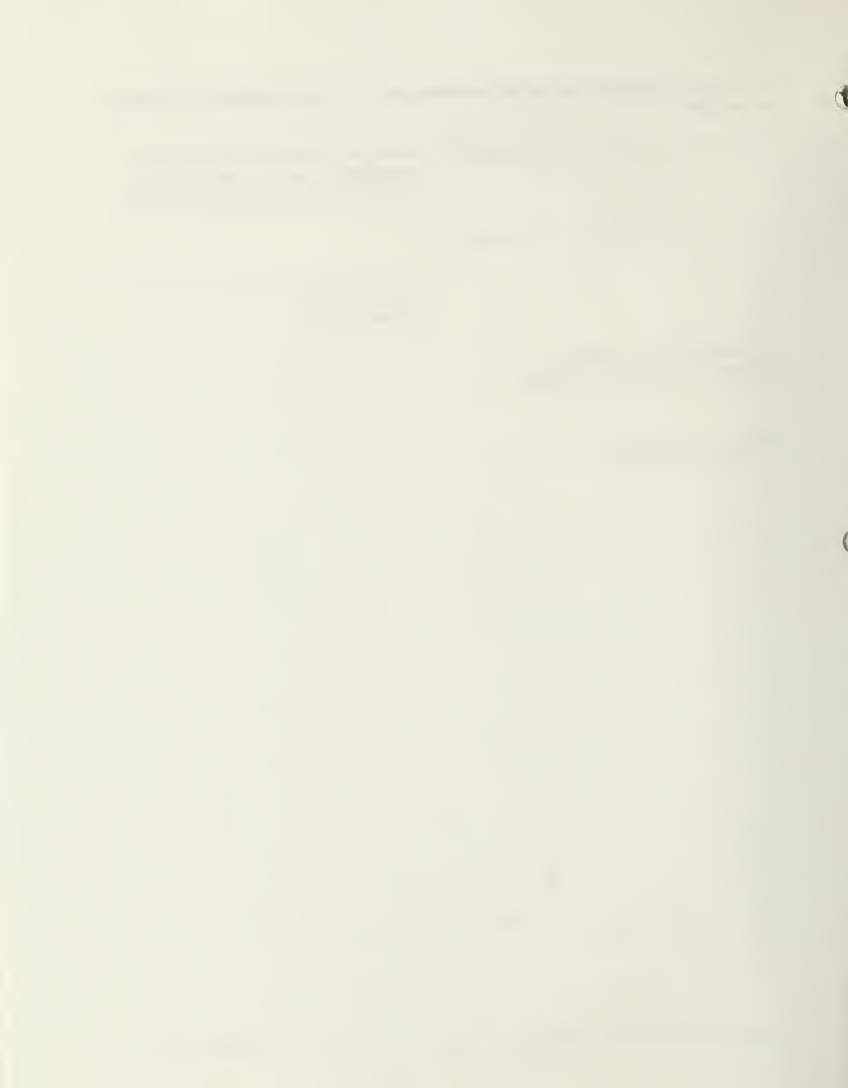


EXHIBIT A
PREMISES DESCRIPTION

EXHIBIT B
GYM LEASE

EXHIBIT C
REQUIRED ALTERATIONS



SOHA

Mayor's Office
City and County of San Francisco

*Treasure Island Project
Seismic Evaluation of the Gymnasium
Building 402
\$105,000⁰⁰*

Prepared by
SOHA Engineers
550 Kearny Street, Suite 200
San Francisco, CA 94108
(415) 989-9900

August 8, 1997

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EXECUTIVE SUMMARY

This report presents the findings of the seismic evaluation of the Gymnasium (Building 402) at Treasure Island. The basis for our seismic evaluation and rehabilitation design is the FEMA (Federal Emergency Management Agency) - 178, titled "NEHRP (National Earthquake Hazard Reduction Program) Handbook for the Seismic Evaluation of Existing Buildings," dated June 1992.

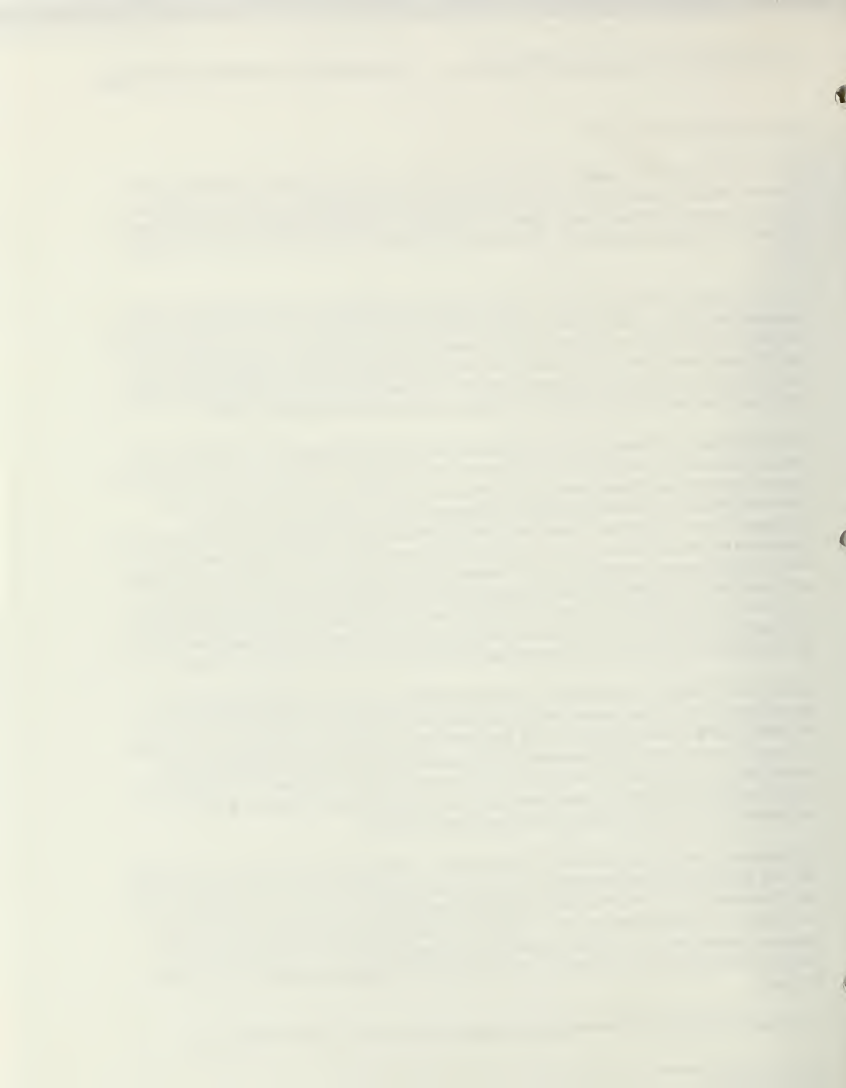
The Gymnasium is a large, complex, T shaped, one story building which is composed of three separated buildings. These buildings include a high roofed rectangular steel framed Gymnasium Building, a lower roofed reinforced concrete masonry Locker Building with a steel framed roof and clerestory, and a lower roofed reinforced concrete masonry Entrance Building also with a steel roof. The building was constructed in 1961. It is located on 9th street between Avenues I and M, approximately 800 feet from the perimeter dike at the east side of the Island.

The Gymnasium is 31 feet tall with a pitched roof and has plan dimensions of 244 feet by 100 feet, oriented with the long dimension in the east-west direction. It is constructed with transverse moment resisting steel frames spaced at 20 feet on centers. Steel purlins span between steel frames to form the roof framing and steel decking and cross tension rods form the roof diaphragm. The end walls are framed with vertical steel columns which span vertically from the foundation to the roof framing. Horizontal steel girts span between end wall columns and side wall moment frames to complete the wall framing. The perimeter exterior walls are constructed with four inch thick reinforced concrete panels which are attached to the frame columns at the side walls, the end wall columns at the end walls, and the horizontal wall girts at all four walls. The floor is a reinforced concrete slab-on-grade covered with a hard wood gymnasium floor and the foundations are reinforced concrete spread footings interconnected with grade beams.

The Locker Building is approximately 11 feet tall and has a centrally located clerestory roof extending to 16 feet. The Locker Building has plan dimensions of 73 feet by 108 feet and the clerestory roof has plan dimensions of 36 feet by 98 feet. The Locker Building is oriented with the long dimension running north-south. It is located to the north of the Gymnasium and is centered on it. It is constructed with reinforced concrete masonry walls and a steel framed roof with a steel deck diaphragm. It also has a reinforced concrete slab-on-grade floor and the foundations are reinforced concrete continuous spread footings.

The Entrance Lobby is approximately 13 feet tall and 19 feet by 49 feet in plan dimension with the long dimension running east-west. It is located at the south side of the Gymnasium Building and is centered on it. It has two rooms with plan dimensions of 12 feet by 13.5 feet located at each side of the Gymnasium entrance. The Entrance building is constructed with reinforced concrete masonry walls, and a steel framed roof with steel decking. Six reinforced concrete columns also support the roof framing. The walls and columns are supported on continuous footings.

A site plan and location of the building is included on sheet SK-1 and the building plan



is shown on sheet SK-2. The proposed seismic retrofit plan is shown on sheets SK-3 and SK-4. Existing building drawings have been reproduced and included in sketches SK-5 through SK-22.

In preparing this report consideration has been given to information contained in a geotechnical report prepared by Treadwell & Rollo, Inc., titled "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California," dated July 26, 1995. This report outlines the expected behavior of the Island if subjected to a major earthquake located on either the Hayward or San Andreas Fault.

The geotechnical report predicts the probability of soil liquefaction, lateral spreading, and lateral failure of the perimeter dikes. It is predicted that the Island could experience up to two feet of liquefaction induced settlement in localized areas, and/or greater than ten feet of lateral spreading displacement at any location along the Island perimeter dike. The predicted lateral spreading displacements are expected to be characterized by more-or-less uniform cracking across the Island from the perimeter dike toward the center of the Island with the greater displacements occurring within 100 feet of the shoreline. The building could therefore move up to 12 inches laterally and have 12 inches of differential lateral spreading displacements across the building plan as a result of lateral spreading. It is estimated that this type of uniform lateral spreading would not cause the building to pull apart or separate and/or fall off its footings. If the ground movement is severe it could cause cracking in the rigid concrete panel walls and/or in the concrete masonry walls.

There is a smaller probability that the lateral spreading displacements may not be uniform and that cracks greater than 6 inches in width may develop at localized areas. Although it is unlikely to occur, severe lateral soil movement greater than 12 inches or non-uniform local lateral spreading could result in severe structural building damage. However, we do not estimate that non-uniform lateral spreading will cause partial collapse of the building if the building has been seismically strengthened. Since the probability that severe local lateral spreading could occur at any building site is small, the threat of severe wall cracking damage would be correspondingly small.

The building was constructed in the 1960's and appears to have a good seismic load resisting system with the exception of several minor retrofit considerations noted below. The effects of hazardous geologic site conditions were probably not considered. The Gymnasium Building employs thirteen transverse moment resisting steel frames for resistance to transverse seismic forces and eight chevron steel braced frames with double angle braces for resistance to seismic forces in the longitudinal direction. The chevron frames, located in the longitudinal direction, are susceptible to buckling failures if subjected to the seismic forces prescribed in FEMA 178 which could lead to severe building damage and the possibility of partial collapse.

Also, the end wall transverse steel frames, which are supported on isolated footings at the four building corners are vulnerable to a loss of support due to soil liquefaction. If soil liquefaction were to occur at one of the building corners causing a 15 foot area loss of support and possibly two feet of settlement, the building could experience severe building damage, and possible life

1. The first part of the report is a summary of the findings of the study.

2. The second part of the report is a detailed description of the methodology used in the study.

3. The third part of the report is a discussion of the results of the study and their implications for practice.

4. The fourth part of the report is a conclusion and a list of references.

5. The fifth part of the report is an appendix containing additional data and information.

6. The sixth part of the report is a list of references.

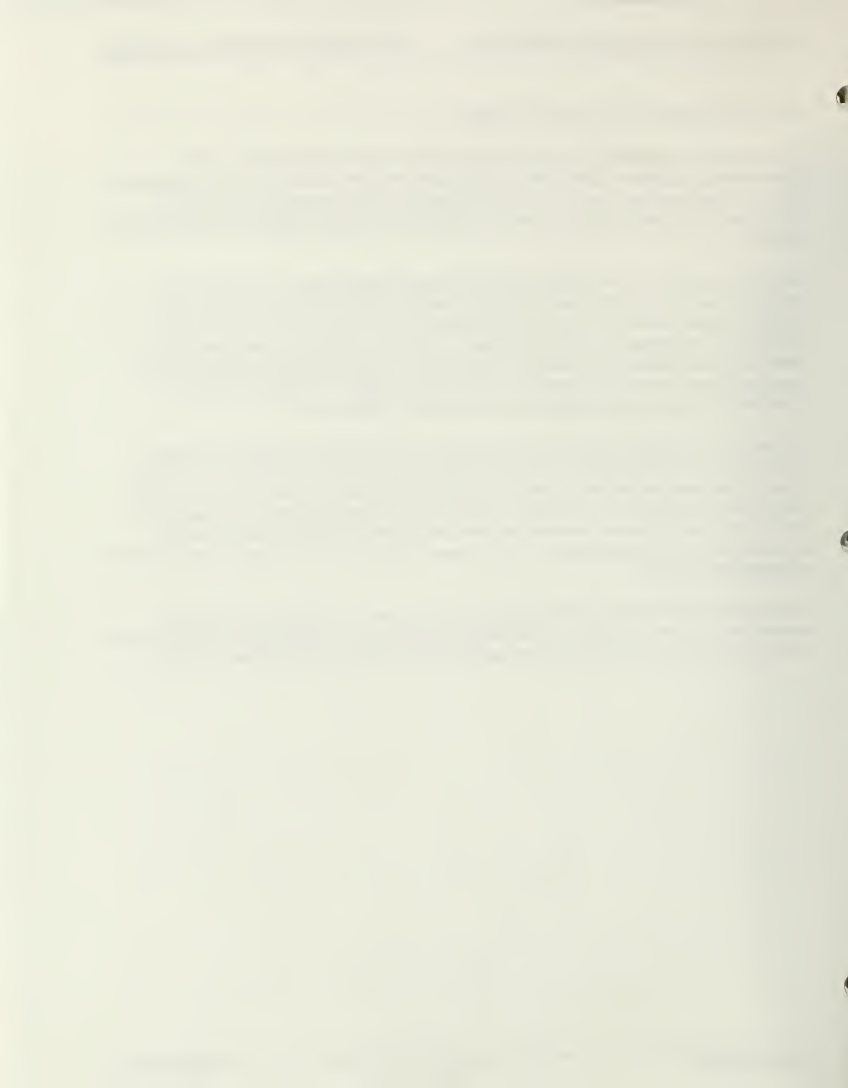
safety falling hazards from concrete wall panels.

To minimize the possibility of partial collapse or life safety falling hazards at the Gymnasium, it is recommended that the eight chevron steel braced frames be strengthened with new steel members, and that reinforced concrete grade beams be installed in the foundation at the four building corners. See reference seismic rehabilitation sketches SK-3 and SK-4.

The objective of the seismic rehabilitation recommended in this report is to strengthen the building to meet FEMA-178 criteria, which provides for a life safety level of performance without collapse. However, there remains the possibility of severe structural damage to the building if it is subjected to a major earthquake. Thus, if the building is rehabilitated, a life safety level of performance can be expected in the event of code design level earthquake and associated ground movement, liquefaction and lateral spreading. Therefore, this seismic strengthening scheme should reliably provide life-safety performance.

The seismic rehabilitation scheme developed requires the strengthening of eight steel braced chevron frames and the installation of concrete grade beams in the foundation at four building corners. The construction cost as estimated by SOHA Engineers is \$105,000. This estimate includes only structural work and repair of finishes and systems disturbed by the rehabilitation. This cost does not include any extended architectural, electrical or mechanical rehabilitation beyond repair of disturbed finishes, or any allowance for the removal of hazardous materials such as asbestos or lead paint.

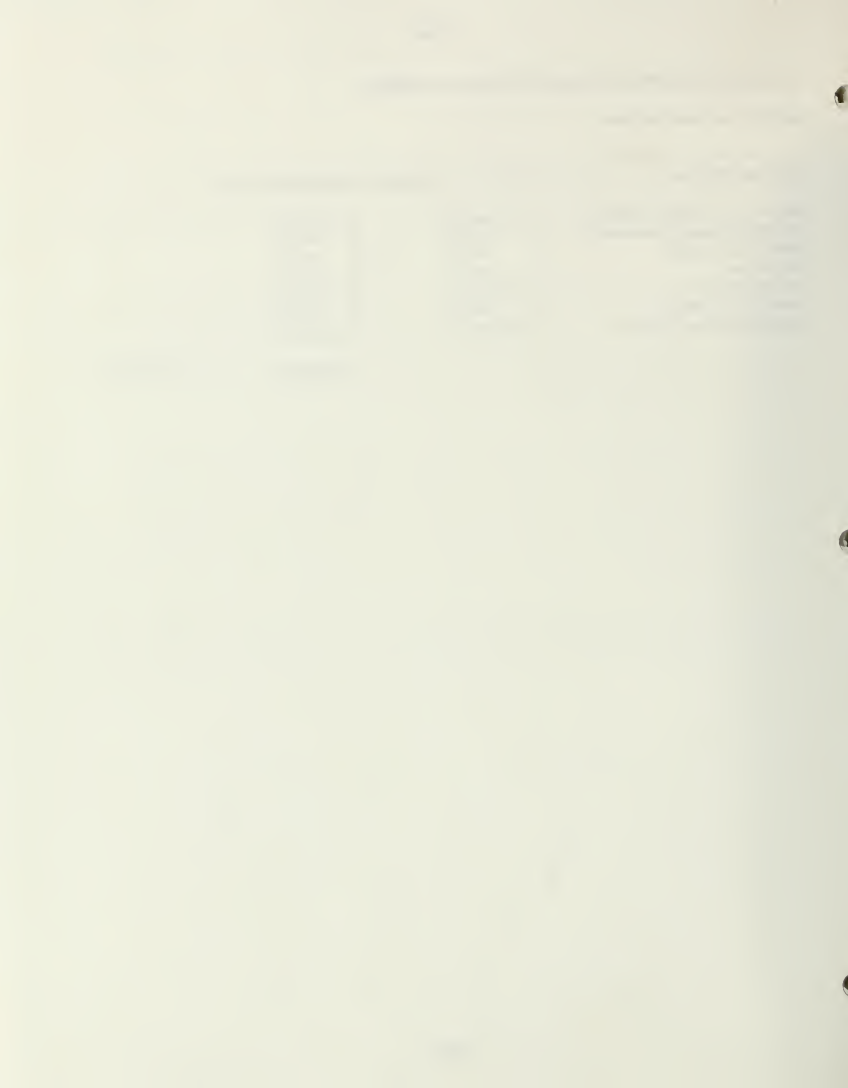
Existing utility lines entering the buildings may not be capable of withstanding the ground movements predicted at this site. Consideration should be given to installing emergency shut-off devices on water, gas, and electrical lines entering each building and entering the entire site.



TREASURE ISLAND ESTIMATED START UP COSTS

BUILDIN 402 POLICE GYM

JOB DESCRIPTION	COST	NUMBER	EXTENDED COSTS	
INSTALL ELECTRICAL METER	\$ 4,000.00		\$ 4,000.00	
LEAD AND ASBESTOS REMOVAL	\$ 10,000.00		\$ 10,000.00	
REKEY ALL DOORS	\$ 10.50	45	\$ 472.50	
ADA SIGNS	\$ 2,000.00		\$ 2,000.00	
ADA RESTROOM	\$ 40,000.00		\$ 40,000.00	
ADA DOOR HANDLES	\$ 550.00		\$ 550.00	
EARTHQUAKE RETRO FIT	\$ 105,000.00		\$ 105,000.00	
			\$ 162,022.50	\$ 162,022.50



TREASURE ISLAND ESTIMATED START UP COSTS**BUILDING 497 SHIPSHAPE**

JOB DESCRIPTION	COST	NUMBER	EXTENDED COSTS
ELECTRICAL METER	\$ 4,000.00		\$ 4,000.00
REKEY DOORS	\$ 10.50	25	\$ 262.50
ADA SIGNS	\$ 25.00	20	\$ 500.00
ADA RETRO FIT DOOR HANDLES	\$ 25.00	7	\$ 175.00
			\$ 4,937.50

EXHIBIT D

UTILITIES

EXHIBIT E

COST ESTIMATES FOR REHABILITATION AND OPERATION OF TREASURE ISLAND GYM

CAPITAL IMPROVEMENTS

Building 402 (Including electrical and ADA code upgrades, asbestos remediation and seismic retrofit.)	\$162,000
Building 497	<u>\$4,937</u>
TOTAL	\$166,937.

ESTIMATED MONTHLY OPERATIONAL COSTS

Navy Cam Charges (\$.05 psf interior/\$.003 psf exterior)	
Gym/30,500sf	\$ 1,525.
Fitness Center/5,760sf	\$ 288.
Exterior Grounds/Approx. 190,000sf	\$ 570.
Utilities	
Est. Monthly Charges	\$ 3,500.
Grounds Maintenance	
Est. by Rubicon/TIHDI Contractor	\$ 6,761.
Janitorial	\$ N/A
Est. by Toolworks/TIHDI Contractor	
MONTHLY TOTAL	\$ 12,644.



Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Amending sublease with Delancey Street Foundation for Buildings 183, 228 and 229

Agenda No. 9

Contact Person/Phone: Annemarie Conroy

Meeting Date: October 21, 1998

BACKGROUND AND DESCRIPTION OF PROPOSED ACTION: On September 16, 1998 the Authority approved a sublease with Delancey Street on the condition that the sublease be amended at the Authority's next meeting on October 21. This amendment provides that, in the event of a conflict between the rights and responsibilities granted to the Delancey Street under the sublease and the rights and responsibilities granted to TIHDI under the Base Closure Homeless Assistance Agreement, the rights and responsibilities granted to TIHDI shall prevail.

ATTACHMENTS: Exhibit A, amendment to sublease

THE UNIVERSITY OF CHICAGO
LIBRARY

THE UNIVERSITY OF CHICAGO LIBRARY
540 EAST 57TH STREET, CHICAGO, ILL. 60637

THE UNIVERSITY OF CHICAGO LIBRARY
540 EAST 57TH STREET, CHICAGO, ILL. 60637

THE UNIVERSITY OF CHICAGO LIBRARY
540 EAST 57TH STREET, CHICAGO, ILL. 60637

THE UNIVERSITY OF CHICAGO LIBRARY
540 EAST 57TH STREET, CHICAGO, ILL. 60637

1 [Sublease of Buildings 183, 298 and 229]

2 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AMENDMENT TO THE
3 SUBLEASE FOR BUILDINGS 183, 228 AND 229 TO DELANCEY STREET FOUNDATION.

4 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No.
5 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public
6 benefit corporation known as the Treasure Island Development Authority (the "Authority") to
7 act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation,
8 reuse and conversion of former Naval Station Treasure Island (the "Base") for the public
9 interest, convenience, welfare and common benefit of the inhabitants of the City and County
10 of San Francisco; and,

11 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
12 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
13 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority
14 as a redevelopment agency under California redevelopment law with authority over the Base
15 upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the
16 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
17 administer the public trust for commerce, navigation and fisheries as to such property; and,

18 WHEREAS, The Tidelands Trust prohibits the sale of trust property into private
19 ownership, generally requires that Tidelands Trust property be accessible to the public and
20 encourages public-oriented uses of trust property that, among other things, attract people to
21 the waterfront, promote public recreation, protect habitat and preserve open space; and,

22 WHEREAS, On September 16, 1998, the Authority approved a Sublease (the
23 "Sublease") with the Delancey Street Foundation of Buildings 183, 298 and 229, in
24 connection with a vocational program for culinary arts; and Life Learning Academy charter
25 school for academics, arts, and performing arts for approximately 60 day-students comprised



1 of "at-risk" boys and girls from the San Francisco area, as well as approximately 50 "at-risk"
2 girls who will be part of Delancey Street's Youth Residential Program; and

3 WHEREAS, The Authority conditioned its approval of the Sublease on an
4 amendment to the Sublease which provides that, except as specifically provided in such
5 amendment, in the event of a conflict between the rights and responsibilities granted to
6 Subtenant under the Sublease and the rights and responsibilities granted to TIHDI under that
7 certain Base Closure Homeless Assistance Agreement and Option to Lease Real Property
8 which is an integral part of the draft base reuse plan for the Base approved by the
9 Department of Housing and Urban Development under the Base Closure Community
10 Redevelopment and Homeless Assistance Act of 1994 (the "Agreement"), the rights and
11 responsibilities granted to TIHDI under the Agreement shall prevail; and,

12 WHEREAS, The Authority has prepared an amendment to the Sublease in the
13 form of the Amendment attached hereto as Exhibit A (the "Amendment"); now therefore be it

14 RESOLVED, That the Authority hereby approves the Amendment and
15 authorizes the Executive Director to enter into the Amendment on behalf of the Authority.
16
17

18 **CERTIFICATE OF SECRETARY**

19 *I hereby certify that I am the duly elected and acting Secretary of the Treasure Island*
20 *Development Authority, a California nonprofit public benefit corporation, and that the above*
21 *Resolution was duly adopted and approved by the Board of Directors of the Authority at a*
22 *properly noticed meeting on October 21, 1998.*
23

24
25 _____
John Elberling, Secretary



1
2 **EXHIBIT A**
3

4 **AMENDMENT TO SUBLEASE**
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FIRST AMENDMENT TO

SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

DELANCEY STREET FOUNDATION

as Subtenant

For the Sublease of

**Buildings 183, 298 and 229 at Naval Station Treasure Island
San Francisco, California**

October __, 1998

FIRST AMENDMENT TO TREASURE ISLAND SUBLEASE

THIS FIRST AMENDMENT TO SUBLEASE (the "Amendment"), dated as of this ____ of October, 1998, is by and between the Treasure Island Development Authority ("Sublandlord") and the Delancey Street Foundation, a 501(c)(3) non-profit corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Amendment is made with reference to the following facts and circumstances:

A. Sublandlord and Subtenant entered into a Sublease (the "Original Sublease", and as amended hereby, the "Sublease"), dated September __, 1998, for the use of Buildings 183, 298 and 229 on Naval Station Treasure Island as a Life Learning Academy operated by Subtenant.

B. Sublandlord's Board of Director's conditioned its approval of the Original Sublease on an amendment thereto in substantially the form of this Amendment.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. Relation to TIHDI Agreement. Section 5 of the Original Sublease is hereby amended to add a new Section 5.6 which provides as follows: In the event of a conflict between the rights and responsibilities granted to Subtenant under the Sublease and the rights and responsibilities granted to the Treasure Island Homeless Development Initiative ("TIHDI") set forth in that certain Base Closure Homeless Assistance Agreement and Option to Lease Real Property endorsed by the City's Board of Supervisors and which is an integral part of the draft base reuse plan for the Base approved by the Department of Housing and Urban Development under the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (the "Agreement"), the rights and responsibilities granted to TIHDI under the Agreement shall prevail.

2. Terms and Conditions of Original Sublease Remain in Force and Effect. Except as specifically amended hereby, the terms and conditions of the Original Sublease shall remain in full force and effect.

3. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

Delancey Street Foundation
a 501(c)(3) non-profit corporation

By: _____
Its: _____

SUBLANDLORD:

Treasure Island Development Authority

By: _____
Its: _____

Approved as to Form:

Deputy City Attorney

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Adopting guidelines for the selection of members, additional categories of expertise to be represented on the CAC and rules and procedures for the governance and operations of the CAC

Agenda No. 10

Contact Person/Phone: Annemarie Conroy

Meeting Date: October 21, 1998

BACKGROUND AND DESCRIPTION OF PROPOSED ACTION: On February 25, 1998 the Authority approved rules and procedures (Resolution 98-07-2/25) for the creation of a CAC including the provision that the CAC be composed of up to 25 members representing specific categories of expertise. The resolution also provided that prior to presenting prospective members to the Authority for selection, the Authority would review selection guidelines, recommendations for additional categories of expertise and proposed rules and procedures for the governance and operations of the CAC.

SUMMARY OF ACTION: Exhibit A specifies that recruitment will include, but not limited to notices to newspapers, the Board of Supervisors and the San Francisco Library, that the Authority will select members upon the recommendation of TIDA staff, which will base its recommendations on specific criteria. Each nominated member must appear before the Authority before an appointment can be made.

ATTACHMENTS: The procedures for setting the agenda, attendance requirements and the mission and responsibilities of the CAC are set out in Exhibit A. An application form and recruitment notice are also attached.

FILE NO.

RESOLUTION NO.

[Citizens Advisory Committee]

ADOPTING GUIDELINES FOR THE SELECTION OF MEMBERS, ADDITIONAL CATEGORIES OF EXPERTISE TO BE REPRESENTED ON THE CITIZENS ADVISORY COMMITTEE AND RULES AND PROCEDURES FOR THE GOVERNANCE AND OPERATIONS OF THE CITIZENS ADVISORY COMMITTEE

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 3342.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Tidelands Trust prohibits the sale of trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public-oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and

WHEREAS, This resolution calls for the appointment of a Citizens Advisory Committee (CAC); and

WHEREAS, The Bylaws of the Authority give power to the Directors to establish a CAC to advise the Authority on issues of public interest regarding the Base; and

WHEREAS, In order to gather public input and opinion from diverse communities in San Francisco and to provide additional expertise to the Authority, it is important to the development of Treasure Island to create a CAC; and

WHEREAS, The Authority approved Resolution 98-07-2/25 on February 25, 1998, adopting rules and procedures for the creation of a CAC including a provision that the CAC be comprised of up to 25 members including members representative of specific categories of expertise; and

WHEREAS, Resolution 98-07-2/25 provides that prior to presenting prospective members to the Authority for selection, the Authority shall consider and review (i) guidelines for the selection of members, (ii) recommendation for additional categories of expertise to be represented on the CAC, and (iii) proposed rules and procedures for the governance and operations of the CAC; and

WHEREAS, As specified in Exhibit A, recruitment of prospective will include notices to newspapers, the Board of Supervisor, the San Francisco Public Library, established organizations, current applicants to Board and mayoral commissions and boards, and the Authority's mailing list.

WHEREAS, Further, TIDA staff will review each applicant for membership category, community involvement and usefulness in achieving the objectives of the CAC and will recommend to the Authority a full complement of 25 members; and

WHEREAS, Each nominated member will be required to appear before the Authority before an appointment will be made; and



WHEREAS, As noted in Exhibit A, additional categories of expertise for the selection of members shall include Treasure Island residents, Treasure island businesses, public safety officers, Treasure Island tenants or lessees, TIHDI, infrastructure specialist and “at large”; and

WHEREAS, The tasks and duties, rules and procedures for governance and operations are contained in Exhibit A; and

RESOLVED, That the Board of Directors of the Authority hereby adopts these guidelines for selection of members, additional categories of expertise to be represented on the CAC and rules and procedures for its governance and operations.



WE ARE SEEKING MEMBERS FOR THE CITIZENS ADVISORY COMMITTEE FOR TREASURE ISLAND

The Treasure Island Development Authority (TIDA) is establishing a Citizens Advisory Committee. San Francisco is currently negotiating with the United States Navy to secure Treasure Island. Among other responsibilities, the Committee will provide recommendations to the Authority concerning the final reviews and implementation of the Base Reuse Plan, policies and objectives for interim reuses and other matters of importance to the future of Treasure Island and all citizens of San Francisco and will assist in developing a set of activities and land uses which fulfill economic, social and environmental objectives. The Committee will also examine solutions for Treasure Island's physical constraints: access, seismic problems and an aging and deteriorating infrastructure.

The Authority will select up to 25 members who are representative of or affiliated with one or more of the following categories: land use planner, Treasure Island Elementary School, marine related activities (water sports/sailing/etc.), movie/film industry, open meeting proponent, organized labor, organized sports (soccer/baseball/etc.), affordable housing, commercial developer, economic developer (job creation, etc.), environmental (open space/etc.), environmental (toxic/pollution/etc.), historic preservation (museum/education/historian/etc.), Job Corps, Treasure Island housing resident, Treasure Island business, public safety officers, Treasure Island tenants or lessees, TIHDI, infrastructure specialists (engineers and allied fields) and members "At large" selected for their unique skills or experience.

Applications will be accepted through _____. TIDA staff will recommend to the Authority a full complement of 25 members based on the above criteria. Each recommended member will be required to appear before TIDA before an appointment can be made by the Authority.

If you are interested, please call Joan Rummelsburg at the Treasure Island Development Authority (415) 274-0660 to obtain an application.





TREASURE ISLAND PROJECT
410 AVENUE OF THE PALMS
BUILDING 1, 2ND FLOOR
TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660
FAX (415) 274-0299

APPLICATION FOR MEMBERSHIP ON THE CITIZENS ADVISORY COMMITTEE

Name: _____

Home Address _____

Zip Code

Home Phone: _____ Work Phone _____

Are you a San Francisco resident? Yes _____ No _____

Affiliation: Select one or more of 25 categories listed on notice

Will you be able to attend night meetings? _____ day meetings? _____ either? _____

Summary statement of your qualifications for membership (if you attach your resume, please limit your attachment to no more than 2 pages)

Statement of your objectives/goals for participation if accepted for membership on the CAC:

Appearance before the Treasure Island Development Authority is required before any appointment can be made.

Signature _____

Date _____

Application is considered to be active for one year from the date of signature. Faxed applications are accepted.



EXHIBIT A

To: Members, Treasure Island Development Authority (TIDA)
From: Executive Director, Annemarie Conroy
Re: Treasure Island Citizen's Advisory Committee (TICAC)
Date: October 21, 1998

On February 25, 1998, the Treasure Island Development Authority approved Resolution 98-07-2/25 adopting rules and procedures for the creation of a citizens advisory committee. The resolution established a CAC of up to 25 members, including but not limited to members representative of the following categories of expertise or experience: affordable housing, marine related activity, movie/film industry, the Treasure Island Elementary school, Job Corps, commercial development, organized sports, environmental (toxic/pollution/etc.), environmental (open space/etc.), historic preservation, land use planning, economic development, organized labor, transportation and open meeting proponent. Additional categories may be added from time to time by resolution as deemed necessary by the Authority.

As per Resolution 98-07-2/25 the Authority specified that before presenting prospective members to the Authority for selection, that staff present to the Authority for its consideration and review the guidelines for selection of members, additional categories of expertise to be represented on the CAC and rules and procedures for its governance and operations.

Solicitation of TICAC members

TI Project Staff will prepare a notice describing the purpose and composition of the TICAC and a brief application form. These materials will be mailed to the current TIDA mailing list and key citywide organizations, posted at the Main Library, sent to the Board of Supervisors for posting, and sent as an informational item to the Chronicle, Examiner, Independent and several neighborhood newspapers.

The Mayor's Office and the Board of Supervisors have many applications for appointments to boards, commissions, citizens advisory commissions and task forces. The TI Project Office will work with both offices to review applications on file of parties interested in serving the City in this capacity. The Treasure Island Project Office will also solicit suggestions of board members from established recognized organizations. If we do not receive enough applications for all positions, we will target a mailing to specific organizations whose members may represent a particular category.

Guidelines for Selection

Eligibility

A potential member shall:

- Complete an application.
- Be a resident of the City and County of San Francisco (unless exempted by a motion of the TIDA)
- Be representative of at least one category

Process for selection - After the deadline for acceptance of applications, Project Office staff will first screen applications for category representation, previous community involvement and how the applicant's skills and energies could be utilized in assisting TIDA in its mission and in taking an active, productive role in the Citizens Advisory Committee.

TIDA staff will forward to the Authority all applications received, and recommend to the Authority a full complement of 25 members based on the above criteria. TIDA staff will furnish the Authority with specific justification for the selection of each recommended member. Each member will be required to appear before TIDA before an appointment will be made.



Application requirements and Composition of the TICAC

The TIDA will make every effort to choose TICAC members who are reflective of the people of San Francisco. The Authority shall not discriminate on the basis of race, national origin, color, religion, sex, sexual orientation, gender identity, age or disability. Selected members will be required to complete a "Statement of Economic Interest" form.

Representatives of the Treasure Island Elementary School (category 15) and Jobs Corps (category 7) should include in their application a letter of support from the organization. In addition, any applicant who professes to represent an organization should also include a letter of support from that organization.

Currently by resolution, the TICAC is composed of up to twenty-five (25) members, who shall be representative of the following categories:

1. affordable housing
2. commercial developer
3. economic developer (job creation/etc.)
4. environmental (open space/etc.)
5. environmental (toxic/pollution/etc.)
6. historic preservation (museum/education/historian/etc.)
7. Jobs Corps
8. land use planner
9. marine related (water sports/sailing/etc.)
10. movie/film industry
11. open meeting proponent
12. organized labor
13. organized sports (soccer/baseball/etc.)
14. transportation (ferry/planner/etc.)
15. Treasure Island Elementary School

TIDA may also consider the following categories in the selection of members:

16. Treasure Island housing resident
17. Treasure Island business
18. public safety officers
19. Treasure Island tenant or lessee
20. TIHDA
21. Infrastructure specialist (engineer, etc.)
22. to 25. "At Large"

TICAC Rules and Procedures for Governance and Operations

The Project Office will make a recommendation for Chair and Vice Chair of the CAC. The Authority shall appoint the chairperson and vice chairperson and the 23 persons representative of the aforementioned 25 categories to the CAC. The committee members shall serve without compensation for a two-year period. The Citizens Advisory Committee will conform to the California Political Reform Act, the Ralph M. Brown Act and the Sunshine Ordinance. The appointment of any committee member who is absent for three of any 12 regularly scheduled consecutive meetings shall automatically be terminated. Any resulting vacancy shall be filled for the remainder of the member's term. The Authority shall call the first meeting, and either the Authority or the chairperson of the committee may call subsequent meetings of the committee, setting the time and place of said meetings. Agendas for any meetings shall be determined by the chair and the TI Project Office will be apprised of agenda items in a timely manner. The Authority or the Project Office may request the calendaring of items on the CAC agenda. Once constituted, the Authority will present by-laws detailing the duties and election of officers, parliamentary authority, frequency, time and location of meetings, amendment of by-laws and



majority/minority reports for consideration by the CAC. The specific mission of the CAC is reflected in the following responsibilities:

- (1) Reflecting the community values in the development of Treasure Island, and in channeling that mission back to the community
- (2) Providing recommendations to the Authority concerning the final reviews and implementation of the Base Reuse Plan, policies and objectives for interim reuses and other matters of importance to the future of Treasure Island and all citizens of San Francisco.
- (3) Proposing and examining solutions to Treasure Island's constraints: access, seismic problems and aging infrastructure
- (4) Learning about Treasure Island and advocating uses which truly benefit San Franciscans
- (5) Developing a set of activities and land uses for Treasure Island which fulfill economic, social and environmental objectives





Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Authorizing a lease with Navy for property on Treasure Island for use as police academy, jail, recreation and fitness center, administrative offices, a youth center and related uses.

Agenda No. 11

Contact Person/Phone: Daniel Hwang

Meeting Date: October 21, 1998

SUMMARY OF ACTION: The lease provides that the Authority may lease the premises for five years for use as a training academy, jail, fitness center, youth center, administrative offices and other site-specific appropriate uses. Although the Authority is not required to pay rent, the Authority is required to actively market the Base, maintain the site and, at such time as each site is used, to pay the Navy \$.05 cents per square foot of interior space and \$.003 cents per square foot of exterior space monthly. In addition, the Authority (subject to appropriations by the Board of Supervisors) is required to apply certain net revenues generated from subleases for property management services and for improvements to the Base.

BACKGROUND AND DESCRIPTION OF PROPOSED ACTION: The Authority and the Navy have discussed the use of several facilities in the delineated area with several city entities. These include the proposed use by the Sheriff of the brig, the use of Buildings 461, 462, and 463 by the San Francisco Police Department as a Police Academy, the use of Buildings 402 and 497 as a physical fitness center as well as certain other properties for administrative and other uses as detailed in the lease.

ATTACHMENTS: See Exhibit A for lease.



1 [Navy Lease of Brig, Police Academy, Gym and related facilities]
2 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LEASE WITH THE
3 NAVY OF PROPERTY ON TREASURE ISLAND FOR USE AS A POLICE ACADEMY
4 FACILITY, A JAIL FACILITY, A RECREATION AND FITNESS CENTER,
5 ADMINISTRATIVE OFFICES, A YOUTH CENTER AND CERTAIN RELATED USES.

6 WHEREAS, On May 2, 1997, the Board of Supervisors passed
7 Resolution No. 380-97, authorizing the Mayor's Treasure Island
8 Project Office to establish a nonprofit public benefit corporation
9 known as the Treasure Island Development Authority (the "Authority")
10 to act as a single entity focused on the planning, redevelopment,
11 reconstruction, rehabilitation, reuse and conversion of former Naval
12 Station Treasure Island (the "Base") for the public interest,
13 convenience, welfare and common benefit of the inhabitants of the
14 City and County of San Francisco; and,

15 WHEREAS, Under the Treasure Island Conversion Act of 1997,
16 which amended Section 33492.5 of the California Health and Safety
17 Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968
18 (the "Act"), the California legislature (i) designated the Authority
19 as a redevelopment agency under California redevelopment law with
20 authority over the Base upon approval of the City's Board of
21 Supervisors, and, (ii) with respect to those portions of the Base
22 which are subject to the Tidelands Trust, vested in the Authority the
23 authority to administer the public trust for commerce, navigation and
24 fisheries as to such property; and,



1 WHEREAS, The Tidelands Trust prohibits the sale of trust
2 property into private ownership, generally requires that Tidelands
3 Trust property be accessible to the public and encourages public-
4 oriented uses of trust property that, among other things, attract
5 people to the waterfront, promote public recreation, protect habitat
6 and preserve open space; and,

7 WHEREAS, In order to facilitate productive reuse and job
8 creation on the Base, it may be beneficial for the Authority to lease
9 or license property from the Navy and, in turn, sublease or
10 sublicense such property to third-parties or use such property for
11 municipal purposes; and,

12 WHEREAS, The Authority and the Navy have negotiated the
13 terms and conditions of a lease for five years for use of the Brig as
14 a jail facility by the San Francisco Sheriff's Department, the use of
15 Buildings 461, 462 and 463 by the San Francisco Police Department as
16 a Police Academy, the use of Buildings 402 and 497 as a physical
17 fitness center, and certain other properties for other uses including
18 administrative offices and a youth center, all as more particularly
19 described in the lease (the "Public Protection Lease") substantially
20 in the form of the Public Protection Lease attached to this
21 Resolution* as Exhibit A; and,

22 WHEREAS, Among other things, the Public Protection Lease
23 provides that the Authority may lease the premises for five (5) years
24 for use a training academy, a jail, a fitness center, a youth center,
25 administrative offices and other site-specific appropriate uses; and,



1 WHEREAS, Under the Public Protection Lease, the Authority
2 is not required to pay rent to the Navy, however, as consideration
3 for the lease of the premises to the Authority, the Authority is
4 required to (i) actively market the Base, (ii) provide protection and
5 maintenance services to the premises, and (iii) upon use and
6 occupancy of the premises, pay the Navy a Common Services Charge
7 equal to \$0.050 Cents per square foot of interior space and \$0.003
8 per square foot of exterior space, per month; and,

9 WHEREAS, As additional consideration under the Public
10 Protection Lease, the Authority is required, subject to annual
11 appropriations by the Board of Supervisors, to apply certain net
12 revenues generated from the use or sublease of the Premises for
13 property management services on the Base and for improvements to the
14 Base; and

15 WHEREAS, If the Board of Supervisors elects not to
16 appropriate such net revenues for property management services or
17 improvements to the Base, the Navy may terminate the Public
18 Protection Lease; and,

19 WHEREAS, In connection with the Public Protection Lease,
20 the Authority indemnifies and holds harmless the Navy from any losses
21 or claims suffered by the Navy arising out of Authority's use of the
22 Premises; now, therefore, be it

23 RESOLVED, That the Authority hereby approves and authorizes
24 the Executive Director to enter into on behalf of the Authority the
25 Public Protection Lease; and, be it





EXHIBIT A

Public Protection Lease

LEASE

BETWEEN

THE UNITED STATES OF AMERICA

AND

THE CITY AND COUNTY OF SAN FRANCISCO

FOR

POLICE ACADEMY/SHERIFF'S CENTER

NAVAL STATION TREASURE ISLAND

2

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LEASE
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE CITY AND COUNTY OF SAN FRANCISCO

THIS LEASE, made as of this _____ day of _____, 1998, is by and between THE UNITED STATES OF AMERICA, acting by and through the Department of the Navy, herein called "Government", and THE CITY AND COUNTY OF SAN FRANCISCO, herein called "Lessee";

WITNESSETH:

WHEREAS, Government has declared certain real and personal property, as more particularly described as the Leased Premises in Paragraph 1, surplus at the Naval Station Treasure Island, San Francisco, California, (the "Installation"), and Lessee has identified an immediate need to use such real and personal property; and

WHEREAS, the Secretary of the Navy, pursuant to the provisions of 10 U.S.C. § 2667 (f)(1), has determined that this Lease will facilitate state and local economic adjustment efforts pending final disposition of the Leased Premises; and

WHEREAS, the Secretary of the Navy, pursuant to 10 U.S.C. § 2667 (f)(2) has determined that a public interest will be served as a result of this Lease, the fair market value of the Lease is either unobtainable or not compatible with such public benefit, and consequently, consideration for this Lease will be at less than fair market value; and

WHEREAS, to the extent that this Lease involves storage, treatment and disposal of toxic or hazardous materials, the Secretary of the Navy has determined that the proposed use of the Leased Premises, subject to the terms and conditions of this Lease, meets the criteria of 10 U.S.C. § 2692(b)(8) and (9); and

WHEREAS, the Secretary of the Navy, after consultation with the Environmental Protection Agency Administrator has determined that the Leased Premises is suitable for lease, and the uses contemplated for the Lease are consistent with protection of human health and the environment; and

WHEREAS, Lessee is recognized by the Secretary of the Defense, through the Office of Economic Adjustment, as the local redevelopment authority with the responsibility for the redevelopment of the Installation; and

WHEREAS, Lessee is a municipal corporation, created and organized under the laws of the State of California, with the power to acquire, lease and dispose of federal military installations, and Lessee desires to enter into this Lease to further reuse efforts at the Installation.

All correspondence in connection with
this contract should include reference to:

NOW THEREFORE, in consideration of the terms, covenants, and conditions set forth in this Lease, Government and Lessee hereby agree as follows:

1. LEASED PREMISES:

Subject to the terms and conditions of this Lease, Government does hereby lease, rent, and demise to Lessee, and Lessee does hereby hire and rent from Government, Buildings 217 (10,233 SF), 229 (20,723 SF), 402 (30,565 SF), 461 (42,053 SF), 462 (2,305 SF), 463 (531 SF), 497 (5,760 SF), 670 (25,110 SF) and 671 (1,200 SF), and surrounding areas, all comprising approximately 698,184.527 square feet of land, all the premises as shown on Exhibit A, attached hereto, together with all improvements; and all personal property described in Exhibit B attached hereto, and all rights of ingress and egress to such real property (together, the "Leased Premises").

2. TERM:

The term of this Lease shall be for a period of 5 years beginning on _____ and ending on _____ unless sooner terminated in accordance with the provisions of Paragraph 14, Termination.

3. CONSIDERATION:

3.1 As consideration for this Lease, Lessee agrees to (i) actively market the Installation and attempt to sublease those portions of the Leased Premises which are suitable for subleasing, (ii) provide protection and maintenance to the extent described in Paragraph 12 for those portions of the Leased Premises which are or have been during the term of this Lease used or occupied by Lessee or subleased by Lessee to another and (iii) pay Government the Common Area Maintenance Charge described in Sections 3.1.2 and 3.1.3 below.

3.1.1 As additional consideration, subject to annual appropriations by Lessee's Board of Supervisor's, Lessee shall apply any Revenue (as defined herein) received from subleasing the Premises as follows: first, to reimburse itself for marketing and property management expenses incurred by Lessee; and second, for expenses incurred by Lessee for improvements to the Installation. If sufficient funds for the purposes described in this Section 3.1.1 are not appropriated for any reason in any fiscal year of Lease after the fiscal year in which the Term of this Lease commences, then Government may terminate this Lease, without liability, upon thirty (30) calendar days written notice.

"Revenue" as referred to herein means rental income and any other miscellaneous income derived from the subletting of the Leased Premises less (i) sales tax, use and occupancy tax, franchise tax and any other taxes, building fees, planning fees and inspection fees related to the use and occupancy of the Leased Premises, and (ii) Lessee's cost of operating, maintaining, protecting and repairing the Leased Premises including, without limitation, any Common Area Maintenance Charges paid to Government pursuant to this Section 3.1.

3.1.2 Lessee shall be responsible for paying the cost of services incurred by Government and provided for the benefit of Lessee and sublessees as described and in the amount set forth in Paragraph 3.1.3 (the "Common Area Maintenance Charge"). Lessee shall pay Government the Common Area Maintenance Charge on the first day of each month.

3.1.3 The Common Area Maintenance Charge will be calculated as follows:

\$0.050 per square foot per month of occupied building space (1) used or occupied by Lessee; (2) subleased by Lessee to another.

\$0.003 per square foot per month of land area (1) used or occupied by Lessee; (2) subleased by Lessee to another.

The Common Area Maintenance Charge may be revised by Government and Lessee on an annual basis, or at other times only upon mutual agreement of Government and Lessee or as required by Section 3.1.4 below.

"Common Area Maintenance" for the purpose of the Common Area Maintenance Charge shall include, but are not limited to: fire fighting; general perimeter security (this does not include security of those portions of Leased Premises which are (1) used or occupied by Lessee, (2) subleased by Lessee to another); causeway operations, maintenance and repair; maintenance and repair of roads, streets, sidewalks, curbs and gutters; operation, maintenance and repair of street lighting, street signals and signage; operation, maintenance and repair of storm sewer; pest control, and general administration of these services. Nothing in this Lease commits Government to continue to provide Common Area Maintenance referenced herein.

3.1.4 If and to the extent Government reduces, modifies or ceases to provide all or portion of the Common Area Maintenance described herein or to the extent Lessee assumes the responsibility for such Common Area Maintenance pursuant to a cooperative agreement or other agreement with Government, the Common Area Maintenance Charge shall be proportionately reduced, to an amount mutually agreed upon by Government and Lessee, so that at all times during the term of this Lease the amount of the Common Area Maintenance Charge shall accurately and in substantially the same proportion as provided herein reflect the costs of Government in providing such Common Area Maintenance.

3.1.5 If the Government expects to incur any unanticipated costs which are specifically attributable to an action or inaction of the Lessee, its sublessees, or assigns, the Lessee and the Government shall meet and confer on ways to avoid or mitigate such costs and, if the costs can not be entirely avoided, the Lessee and Government shall mutually determine the amount that Lessee shall pay from revenue in addition to the Common Area Maintenance Charge

to defray those costs that cannot be avoided or mitigated. If the Lessee and Government are unable to reach agreement on a way to avoid or mitigate the unanticipated costs or the amount of compensation that the Lessee shall pay to the Government to defray such costs, their dispute shall be resolved in accordance with the provisions of Paragraph 23 of this Lease.

3.2 Consistent with standard accounting practices for tax purposes, Lessee shall keep adequate records and books of account showing the actual cost to it of all items of labor, material, equipment, supplies, services and other items of cost incurred by it directly in the performance of any item of work or service in the nature of marketing and management; the repair, restoration, protection and maintenance of Leased Premises which is required by Paragraph 12; or otherwise approved or directed by Government. Lessee shall provide Government with access to such records and books of account and proper facilities for inspection thereof at all reasonable times.

4. USE OF LEASED PREMISES:

4.1 The Leased Premises may be used and operated by Lessee as a police academy, a jail facility, a recreation and physical fitness center, administrative offices and training school. Lessee understands and acknowledges that this is not and does not constitute a commitment by Government with regard to the ultimate disposal of Leased Premises, in whole or in part, to Lessee or any agency or instrumentality thereof, or to any sublessee. The Lease may be terminated by Government or Lessee as provided by the terms of the Lease pursuant to Paragraph 14, and Lessee and Government agree to and acknowledge such terms.

4.2 Lessee shall not undertake any activity that may affect an identified historic or archeological property, including excavation, construction, alteration or repairs of Leased Premises, without the approval of Government. Buried cultural materials may be present on the Leased Premises. If such materials are encountered, Lessee shall stop work immediately and notify Government.

5. SUBLETTING:

5.1 Lessee is authorized to sublease property included in this lease without obtaining Navy approval of the sublease, provided the sublease incorporates the terms of this lease (except for rental terms which may be different in amount or expressed differently) and does not include any provisions that are inconsistent with this lease. A copy of the sublease must be provided to the Navy Local Representative. In the event that the terms and conditions of the proposed sublease do not comply with or are not included in this Lease, then prior Government approval is required. Any proposed sublease which involves the use of hazardous or toxic materials, including those of an explosive, flammable, or pyrotechnic nature, as provided in 10 U.S.C. 2692, shall require prior Government approval. Such consent shall not be unreasonably withheld or delayed. Each sublease shall contain the environmental protection provisions set forth in Paragraph 13 herein. Under no circumstances shall Lessee assign this Lease.

5.2 Any sublease granted by Lessee shall contain a copy of this Lease as an attachment and be subject to all terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of Government to Lessee or any sublessee. Under any sublease made, with or without consent, the sublessee shall be deemed to have assumed all of the obligations of Lessee under this Lease. No sublease shall relieve Lessee of any of its obligations hereunder.

5.3 Upon its execution, a copy of the sublease shall immediately be furnished to the Navy Local Representative. Should a conflict arise between the provisions of this Lease and a provision of the sublease, the provisions of this Lease shall take precedence. Any sublease shall not be taken or construed to diminish or enlarge any of the rights or obligations of either of the parties under this Lease.

6. JOINT INSPECTION & INVENTORY REPORT:

6.1 Joint Inspection. Representatives of the Lessee and Government shall conduct a joint inspection of all portions of the Leased Premises to be (1) beneficially used or occupied by the Lessee; (2) assigned by the Lessee to another; or (3) subleased by Lessee to another for any purpose. Such inspections shall be completed before any such use begins and may include a representative of the sublessee if appropriate. Based on the joint inspection, a complete inventory of Government property located on the Leased Premises and a report of the condition of the Leased Premises, including the condition of improvements, appurtenances and personal property thereon, has been prepared and is attached to this Lease as Exhibit C.

6.2 No Warranty by Government. All facilities and property delivered to the Lessee shall be delivered "as is, where is," and, as such, the Government makes no warranty as to such facilities and property either as to their usability generally or as to their fitness for any particular purpose. As provided in Section 12 of this Lease, Lessee shall, at no expense to Government, maintain those portions of the Leased Premises which Lessee uses or subleases, and will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals which shall thereupon become part of the Leased Premises. During the term of this Lease, Government shall have no responsibility, financial or otherwise, except as otherwise described herein with respect to protection and maintenance of the Leased Premises.

6.3 In accordance with 32 CFR §91.7(h), governing the disposition of personal property at closing military bases, Personal Property shall be identified throughout the Installation for use in connection with redevelopment of the Installation. At no expense to Government, and only with Government approval, Personal Property may be relocated from other buildings to the Leased Premises in order to facilitate redevelopment, including exclusive use thereof by the sublessee during the Term of this Lease. Each inventory, upon completion, shall be identified by building or facility number, and signed and dated by both parties to this Lease and attached to this Lease as part of the Joint Inspection Report attached hereto as Exhibit C.

7. ENVIRONMENTAL BASELINE SURVEY AND FINDINGS OF SUITABILITY TO LEASE:

An Environmental Baseline Survey for Lease (EBSL) and a Finding of Suitability to Lease (FOSL) are attached to this Lease as Exhibit D and made part of this Lease. The EBSL sets forth the existing environmental conditions of the Leased Premises as represented by the baseline survey which has been conducted by Government. The FOSL sets forth the basis for the Government's determination that Leased Premises are suitable for leasing. Lessee is hereby made aware of the information contained in the FOSL attached hereto as Exhibit D and shall comply with applicable restrictions set forth therein.

8. ALTERATIONS:

8.1 Lessee shall not construct, make or permit its sublessees to construct or make any substantial alterations, additions, excavations, improvements to, installations upon or otherwise modify or alter the Leased Premises in any way, including those which may adversely affect the remediation of hazardous materials on the Installation (together, "Alterations") without the prior written consent of Government. Such consent may not be unreasonably withheld or delayed, but may involve, where reasonably necessary, a requirement for Lessee or Lessee's contractor to provide the government with a performance and payment bond satisfactory to it in all respects and other requirements deemed reasonably necessary to protect the interests of the Government.

8.2 Upon termination of this Lease, as directed by Government, Lessee shall, at the option of the Government either:

8.2.1 Promptly remove all alterations, additions, betterments and improvements made or installed and restore the Leased Premises to the same or as good condition as existed on the date of entry under this Lease, reasonable wear and tear and acts of God excepted; or

8.2.2 Abandon such additions or alterations in place, at which time title to such alterations, improvements and additions shall vest in Government.

8.2.3 In either event all personal property and trade fixtures of Lessee or any third person may be removed from the Leased Premises and Lessee shall repair any damage to the Leased Premises resulting from such removal.

9. ACCESS BY GOVERNMENT:

In addition to access required under Paragraph 13, at all reasonable times throughout the term of this Lease, Government shall be allowed reasonable access to the Leased Premises for any purpose. Government will give Lessee or any sublessee at least twenty-four (24) hour prior notice of its intention to enter the Leased Premises, unless it determines the entry is immediately

required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against Government or any officer, agent, employee, contractor or subcontractor of Government. All keys to the buildings and facilities occupied by Lessee or any sublessee shall be made available to Government upon request.

10. UTILITIES AND SERVICES:

Procurement of utilities (i.e., electricity, water, gas, sewer, telephone and trash removal) will be the responsibility of Lessee. Lessee agrees to obtain needed utility services from any private or municipal supplier who should, during the term of Lease, become able to deliver such services to Leased Premises. In the event that Government shall furnish Lessee with any utilities or services maintained by Government which Lessee may require in connection with its use of Leased Premises, Lessee shall pay Government the cost incurred in providing such utilities or services in the amounts set forth in Exhibit E attached hereto, which rates shall be determined by Government and Lessee in accordance with applicable laws and regulations. Lessee, at no cost to Government, shall install metering devices for utilities serving the Leased Premises prior to its occupancy. The volume of utilities used by Lessee shall be determined by such metering devices. It is expressly agreed and understood that Government in no way warrants the continued availability, maintenance or adequacy of any utilities or services furnished to Lessee.

11. NON-INTERFERENCE WITH GOVERNMENT OPERATIONS:

Lessee shall not conduct operations nor make any alterations that would interfere with or otherwise restrict operations, environmental clean-up or restoration actions by Navy, Environmental Protection Agency (EPA), applicable state equivalent, or their contractors. Environmental clean-up, restoration or testing activities by these parties shall take priority over Lessee's use of Leased Premises in the event of any conflict. However, Government and Lessee agree to coordinate to minimize potential conflicts between necessary remediation of environmental contamination, including investigation and remedial actions, and Lessee's and any sublessee's use of Leased Premises.

12. PROTECTION AND MAINTENANCE SERVICES:

12.1 Except as otherwise specifically provided herein, Lessee shall furnish or cause to be furnished all labor, supervision, materials, supplies and equipment necessary to the operation, maintenance and repair of the following building systems and appurtenances located in or on the Leased Premises: structural (including roof), fencing, plumbing, electrical, heating and cooling systems; exterior utility systems (including fire hydrants and mains); pavement and grounds maintenance (including grass cutting, shrub trimming and tree removal); pest and weed control; security and fire protection within Leased Premises; refuse collection, removal and disposal; and utilities maintenance necessary for the protection of Leased Premises. Government shall not be

required to furnish any services or facilities to Lessee or to make any repair or alteration in or to Leased Premises. Lessee hereby assumes the full and sole responsibility for the protection, maintenance and repair of Leased Premises set forth in this paragraph. For specifics as to such protection and maintenance required to be provided by Lessee hereunder, the following provisions shall apply:

12.1.1 The degree of maintenance and repair services to be furnished by Lessee hereunder shall be that which is sufficient to assure weather tightness, structural stability (excluding any seismic retrofit and/or modification to foundations resulting from extraordinary natural occurrences such as earthquakes, floods and landslides), protection from fire hazards or erosion, and elimination of safety and health hazards which arise during the term of the Lease and which are not caused by the actions of Government or its employees, contractors or agents, so that the Leased Premises being serviced will remain in the condition in which they existed at the commencement of the Lease as documented in the Joint Inspection and Inventory Report prepared pursuant to Paragraph 6, ordinary wear and tear and acts of God excepted. Prior to use and occupancy, Lessee shall correct the safety and health hazards described on Exhibit F.

12.2 During the term of this Lease, debris, trash and other useless materials placed on the Leased Premises during the term of this Lease shall be promptly removed from the Leased Premises. Upon termination or expiration of this Lease, the Leased Premises shall be left without containers, Lessee's equipment, and other undesirable materials placed on the Leased Premises during the term of this Lease (except by Government) and in as clean condition as received by Lessee.

12.3 Lessee shall provide or cause to be provided all security services necessary to assure security and safety within the Leased Premises. Any crimes or other offenses, including traffic offenses and crimes and offenses involving damage to or theft of Government property, shall be reported to the appropriate authorities for their investigation and disposition and to Government as property owner.

12.4 Lessee shall take or cause to be taken, all reasonable and necessary fire protection precautions at the Leased Premises. Such precautions may include, but are not limited to, the maintenance of any sprinkler system that exists on the effective date of this Lease and/or the provision of portable fire extinguishers for fire protection of Leased Premises.

12.5 Lessee is responsible for the repair and maintenance of all interior utility systems and those exterior utility systems, distribution lines, connections and equipment which solely support the Leased Premises. This responsibility extends from the Leased Premises to the point of connection with the utility system which serves users other than Lessee.

12.6 Lessee shall ensure only trained and qualified persons are utilized in performance of the maintenance and protection services specified in this paragraph.

13. ENVIRONMENTAL PROTECTION PROVISIONS:

13.1 Lessee, sublessees and contractors shall comply with all applicable Federal, state and local laws, regulations and standards that are or may become applicable during the term of this Lease to Lessee's activities on the Leased Premises.

13.2 Lessee or any sublessee shall be solely responsible for obtaining, at no cost to Government, any environmental permits required for its operations under the Lease, independent of any existing permits held by the Government. Nothing in this Lease shall require Lessee to become a secondary discharger or co-permittee on any existing environmental permit held by Government relating to the operation of the Installation, including, without limitation, any environmental permits associated with the operation of the Installation's sewage treatment plant. Any and all environmental permits required for any of Lessee's or sublessees' operations or activities will be subject to prior concurrence of the Commanding Officer, Engineering Field Activity West, Naval Facilities Engineering Command. Lessee acknowledges that the Government will not consent to being named a secondary discharge or co-permittee for any operations or activities of the Lessee or any sublessee under the Lease. In the event the Government is named as a secondary discharger or co-permittee for any activity or operation of the Lessee or any sublessee, Government shall have the right to take reasonable actions necessary to prevent, suspend, or terminate such activity or operation, including terminating this Lease, without liability or penalty.

13.3 Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice the Leased Premises for compliance with environmental, safety and occupational health laws and regulations, whether or not Government is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Government will give Lessee or sublessee twenty-four (24) hours prior notice of its intention to enter Leased Premises unless it determines the entry is immediately required for safety, environmental, operations or security purposes. Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor or subcontractor thereof.

13.4 Government and its officers, agents, employees, contractors and subcontractors have the right, upon reasonable notice to Lessee and any sublessee, to enter upon the Leased Premises for the purposes enumerated in this subparagraph:

13.4.1 to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the Installation Restoration Program (IRP);

13.4.2 to inspect field activities of Government and its contractors and subcontractors in implementing the IRP;

13.4.3 to conduct any test or survey related to implementation of the IRP or environmental conditions at Leased Premises or verify any data submitted to EPA or applicable state equivalent by Government relating to such conditions;

13.4.4 to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the IRP, including but not limited to monitoring wells, pumping wells and treatment facilities.

13.5 Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP during the course of any of the above described response or remedial actions. Any inspection, survey, investigation or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Lessee and any sublessee. Lessee and sublessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor or subcontractor thereof. In addition, Lessee shall comply with all applicable Federal, state and local occupational safety and health regulations.

13.6 Lessee further agrees that if the Leased Premises are subject to ongoing environmental remediation by Government, during such period, Lessee shall provide to EPA and applicable state equivalent by certified mail a copy of any sublease of the Leased Premises within fourteen (14) calendar days after the effective date of such sublease. Lessee may delete the financial terms and any other proprietary information from the copy of any agreement of assignment or sublease furnished pursuant to this condition.

13.7 Lessee shall strictly comply with the hazardous waste permit requirements under the Resource Conservation and Recovery Act or its applicable state equivalent. Except as specifically authorized by Government in writing, Lessee must provide at its own expense such hazardous waste management facilities as required by its use of the Leased Premises, complying with all laws and regulations. Government hazardous waste management facilities will not be available to Lessee. Any violation of the requirements of this condition shall be deemed a material breach of this Lease.

13.8 DOD component accumulation points for hazardous and other waste will not be used by Lessee or any sublessee. Neither will Lessee or sublessee permit its hazardous wastes to be commingled with hazardous waste of DOD Component.

13.9 Before beginning operations on the Leased Premises, Lessee shall have a Government-approved plan for responding to hazardous waste, fuel and other chemical spills. Such plan shall be independent of the Installation plan and, except for initial fire response and/or spill containment, shall not rely on the use of Installation personnel or equipment. Should Government provide to the Leased Premises any personnel or equipment whether for initial fire response and/or spill containment, or otherwise on request of Lessee, or because Lessee was not, in the reasonable opinion of Government, conducting timely cleanup actions, Lessee agrees to reimburse Government for its reasonable and actual costs in association with such response or cleanup upon receipt of an invoice for such costs.

13.10 Lessee shall not conduct or permit its sublessees to conduct any subsurface excavation, digging, drilling or other disturbance of the surface without the prior written approval of Government, which consent shall not be unreasonably withheld or delayed.

13.11 To the extent required by law and regulation, Government shall abate, remove or otherwise remedy all friable, accessible and damaged asbestos containing material (ACM), lead based paint (LBP) and polychlorinated biphenyls (PCBs) from Leased Premises. The presence of known ACM, LBP or PCBs shall be fully identified in an Environmental Baseline Survey (EBS) and/or Supplemental Environmental Baseline Survey (SEBS), attached as an Exhibit.

13.11.1 Except as provided in Paragraph 13.11.2, Government is not responsible for any removal or containment of asbestos containing materials (ACM). If Lessee intends to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated into the plans and specifications and submitted to Government. The asbestos disposal plan will identify the proposed disposal site for the asbestos, or in the event the site has not been identified, will provide for disposal at a licensed facility authorized to receive it.

13.11.2 Government shall be responsible for the removal or containment of the ACM identified as requiring abatement shown on Exhibit G attached hereto as damaged or deteriorated ACM. Government agrees to abate these listed items of damaged or deteriorated ACM. Government may choose the most economical means of abating any damaged or deteriorated ACM, which may include removal, repair or containment (encapsulation), or a combination of removal, repair and containment. The forgoing obligation of Government does not apply to any ACM other than that identified in Exhibit G. Notwithstanding Paragraph 13.11.1 above, in an emergency, Lessee will notify Government as soon as practicable of its emergency ACM responses. Lessee shall be responsible for monitoring the condition of existing ACM on Leased Premises for deterioration or damaged and accomplishing repairs or abatement pursuant to the applicable conditions of this Lease.

13.12 Lessee shall indemnify and hold harmless Government from any costs, expenses, liabilities, fines or penalties resulting from discharges, emissions, spills, storage or disposal arising from Lessee's occupancy, use or operations, or any other action by Lessee or any sublessee during the term of this Lease giving rise to Government liability under Federal, state or local environmental laws. Lessee's obligations hereunder shall apply whenever Government incurs costs or liabilities as a result of Lessee's activities or activities of any sublessee as provided hereunder. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors. This provision shall survive the expiration or termination of this Lease.

13.13 Storage, treatment or disposal of toxic or hazardous materials on the Leased Premises is prohibited excepted as authorized by Government in accordance with 10 U.S.C. § 2692. The materials identified on Exhibit H attached hereto have been authorized by Government in accordance with 10 U.S.C. § 2692.

13.14 The responsibility of Government to indemnify and hold harmless the Lessee and any sublessee against any toxic torts and other environmental claims shall be in accordance with Public Law 102-484, the National Defense Authorization Act for Fiscal Year 1993, Section 330, as amended.

13.15 If Lessee or a sublessee encounters pre-existing conditions caused by the Government which require the Government to take action in accordance with Federal, State or local law to remove, remediate, correct, or abate hazardous substances, pollutants or contaminants, the Lessee or sublessee shall promptly notify the Government, cease performance, and secure the work site. Vacation of the Leased Premises, or any part thereof, will be directed pursuant to the provisions of Section 15 of this Lease. The Government will take necessary and appropriate actions, as required by Federal, State or local law, and bear the cost of such removal, remediation, corrective action, or abatement, subject to the availability of funds for such purpose.

14. TERMINATION:

14.1 Government shall have the right to terminate this Lease, in whole or in part, without liability, upon thirty (30) calendar days written notice:

14.1.1 In the event of the Government making a final decision on disposal of the Leased Premises that is inconsistent with continued use thereof by Lessee under this Lease; or

14.1.2 In the event of a national emergency as declared by the President or the Congress of the United States and Government makes a determination that such national emergency requires termination of this Lease; or

14.1.3 If, at any time after January 1, 2003, (a) Government has complied with all applicable legal requirements to convey fee title to the Premises, (b) Government has satisfied in full all of its obligations under this Lease, (c) Government tenders to Lessee a conveyance of fee ownership of the Premises after negotiating in good faith with respect to establishing reasonable terms, conditions of, and consideration for such conveyance, and (d) Lessee fails to accept such conveyance within one hundred eighty (180) calendar days of written notice of such tender; or

14.1.4 In the event of a breach by Lessee of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Lessee shall be afforded thirty (30) calendar days from the receipt of Government's written notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and

avoid termination of this Lease, unless Government determines that a shorter period is required for safety, environmental, operations or security purposes. In the event that Government shall elect to terminate this Lease on account of the breach by Lessee of any of the terms and conditions, Government shall be entitled to recover and Lessee shall pay to Government:

14.1.4(a) The costs incurred in resuming possession of the Leased Premises.

14.1.4(b) The costs incurred in performing any obligation on the part of the Lessee to be performed hereunder, but only after notice to Lessee and the expiration of all applicable cure periods.

14.1.4(c) An amount equal to the aggregate of any maintenance obligations and charges assumed hereunder and not paid or satisfied, which amounts shall be due and payable at the time when such obligations and charges would have accrued or become due and payable under this Lease.

14.2 Lessee shall have the right to terminate this Lease upon thirty (30) calendar days written notice to Government in the event of breach by Government of any of the terms and conditions hereof. In the event of a breach involving the performance of any obligation, Government shall be afforded thirty (30) calendar days from the receipt of Lessee's notice of intent to terminate to complete performance of the obligation or otherwise cure the subject breach and avoid termination of this Lease. Lessee shall also have the right to terminate this Lease in the event of damage to or destruction of all of the improvements on Leased Premises or such a substantial portion thereof as to render Leased Premises incapable or impracticable of use for the purposes for which it is leased hereunder, provided:

14.2.1 Government either has not authorized or directed the repair, rebuilding or replacement of the improvements or has made no provision for payment for such repair, rebuilding or replacement by application of insurance proceeds or otherwise; and

14.2.2 That such damage or destruction was not occasioned by the fault or negligence of Lessee or any of its officers, agents, servants, employees, subtenants, licensees or invitees, or by any failure or refusal on the part of Lessee to fully perform its obligations under this Lease.

14.2.3 If Government requires Lessee or any sublessee to vacate all or a substantial portion of Leased Premises pursuant to any provision of this Lease for a period in excess of thirty (30) calendar days, Lessee may terminate this Lease by written notice to Government given at any time while Lessee shall continue to be denied use of all or a substantial portion of Leased Premises. Lessee shall thereafter surrender possession of Leased Premises within fifteen (15) calendar days of such notice.

15. ENVIRONMENTAL CONTAMINATION:

In the event environmental contamination is discovered on the Leased Premises which creates, in Government's determination, an imminent and substantial endangerment to human health or the environment which necessitates evacuation of the Leased Premises, and notwithstanding any other termination rights and procedures contained in this Lease, Lessee shall vacate or require any sublessee to vacate Leased Premises immediately upon notice from Government of the existence of such a condition. Exercise of this right by Government shall be without liability, except that Lessee shall not be responsible for the payment of consideration, the amount of deduction to be determined on a daily pro-rata basis, during the period Leased Premises is vacated, and Lessee shall have the right to terminate this Lease if, as provided in Section 14.3 above, Lessee or any sublessee is deprived of the beneficial use and occupancy of the Leased Premises for a period in excess of thirty (30) days. Government's exercise of this right herein to order the Leased Premises immediately vacated does not alone constitute a termination of the Lease, but such right may be exercised in conjunction with any other termination rights provided in this Lease or by law.

16. NON-ENVIRONMENTAL INDEMNIFICATION BY LESSEE:

The Lessee shall hold harmless, indemnify, and defend the Government from and against any suit, claim, demand or action, liability, judgment, cost or other fee arising out of any claim for injury or damage that results from, or is any manner predicated upon activities of the Lessee on the Leased Property during the term of the Lease. This indemnification applies to any fines, claims, demands and causes of action of every nature whatsoever which may be made upon, sustained or incurred by Government by reasons of any breach, violation, omission or non-performance of any term, covenant or condition hereof on the part of Lessee or the employees, agents, servants, guests, invitees and sublessees of Lessee. This indemnification also applies to claims arising out of the furnishing of any utilities or services by Government or any interruption therein or failure thereof, whether or not the same shall be occasioned by the negligence or lack of diligence of Lessee, its officers, agents, servants, employees or sublessees. However, this indemnity does not extend to those damages which are due to the fault or negligence of Government or its contractors. This covenant shall survive the termination of this Lease.

17. INSURANCE:

17.1 At the commencement of this Lease, Lessee shall obtain, from a reputable insurance company or companies, liability insurance or shall maintain a program of self-insurance. The insurance shall provide an amount not less than a minimum combined single limit of \$10 million, for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, property damage or both, suffered or alleged to have been suffered by any person or persons resulting from the operations of Lessee, sublessees, contractors and invitees under the terms of this Lease. Lessee shall provide Government certificates of its self-

insurance or require its insurance company to furnish Government a copy of the policy or policies, or if acceptable to Government, certificates of insurance evidencing the purchase of such insurance. The minimum amount of liability insurance coverage is subject to revision by Government every three years or upon renewal or modification of this Lease.

17.2 As to those structures and improvements on Leased Premises constructed by or owned by Government, Lessee shall procure and maintain at Lessee's cost a standard fire and extended coverage insurance policy or policies or a program of self-insurance on the Leased Premises in an amount sufficient to demolish damaged or destroyed structures and improvements, remove debris and clear the Leased Premises. Should Lessee elect to purchase commercial insurance in lieu of self-insurance, Lessee shall procure such insurance from a reputable company or companies. In that event, the insurance policy shall provide that in the event of loss thereunder, the proceeds of the policy or policies, at the election of Government, shall be payable to Lessee to be used solely for the demolition of damaged or destroyed structures and improvements, removal of debris and clear the Leased Premises or for repair, restoration, or replacement of the property damaged or destroyed. Any balance of the proceeds not required for such purposes shall be paid to Government. If Government does not elect, by notice in writing to the insurer within thirty (30) calendar days after the damage or destruction occurs, to have the proceeds paid to Lessee for the purposes herein above set forth, then such proceeds shall be paid to Government, provided however that the insurer, after payment of any proceeds to Lessee in accordance with the provision of the policy or policies, shall have no obligation or liability with respect to the use or disposition of the proceeds by Lessee. Nothing herein contained shall be construed as an obligation upon Government to repair, restore or replace Leased Premises or any part thereof.

17.3 If and to the extent required by law, Lessee shall provide workmen's compensation or similar insurance or self-insurance in form and amounts required by law.

17.4 During the entire period this Lease shall be in effect, Lessee shall require its contractors or sublessees or any contractor performing work at Lessee's or sublessee's request on Leased Premises to carry and maintain the insurance required below:

17.4.1 Comprehensive general liability insurance, including, but not limited to, contractor's liability coverage and contractual liability coverage, of not less than \$3 million, per occurrence with respect to personal injury or death, and \$5 million, per occurrence with respect to property damage.

17.4.2 Workman's compensation or similar insurance in form and amounts required by law.

17.5 Should Lessee purchase commercial insurance in lieu of self-insurance, all insurance which this Lease requires Lessee or sublessee to carry and maintain or cause to be carried or maintained shall be in such form, for such periods of time, and with such insurers as Government may reasonably require or approve. In that event, all policies or certificates issued

by the respective insurers for public liability and property insurance will name Government as an additional insured, provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Lessee or Government or any other person, provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least thirty (30) calendar days after receipt by Government of written notice thereof; provide that the insurer shall have no right of subrogation against Government; and be reasonably satisfactory to Government in all other respects. In no circumstances will Lessee be entitled to assign to any third party, rights of action which Lessee may have against Government.

17.6 Lessee and sublessees shall deliver or cause to be delivered promptly to Government a certificate of insurance or self-insurance evidencing the insurance required by this Lease and shall also deliver no later than thirty (30) calendar days prior to expiration of any such policy, a certificate of insurance evidencing each renewal policy covering the same risks.

18. LABOR PROVISION:

During the term of this Lease, Lessee agrees as follows:

18.1 Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Lessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by Government setting forth the provisions of this nondiscrimination clause.

18.1.1 Lessee shall, in all solicitations or advertisements for employees placed at Leased Premises by or on behalf of Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

18.1.2 Lessee shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by Government, advising the labor union or worker's representative of Lessee's commitments under this equal opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

18.1.3 Lessee shall comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor.

18.1.4 Lessee shall furnish all information and reports required by Executive order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records and accounts by Government and the Secretary of Labor for purposes of investigating to ascertain compliance with such rules, regulations and orders.

18.1.5 In the event of Lessee's noncompliance with the equal opportunity clause of this Lease or with any of said rules, regulations or orders, this Lease may be canceled, terminated or suspended in whole or in part, after the expiration of all applicable cure periods, and Lessee may be declare ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation or order of the Secretary of Labor, or otherwise provided by law.

18.1.6 Lessee will include the above provisions in every sublease unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each sublessee. Lessee will take such action with respect to any sublessee as Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Lessee becomes involved, or is threatened with litigation with sublessee as a result of such direction by Government, Lessee may request the United States to enter into such litigation to protect the interest of the United States.

18.2 This Lease, to the extent that it is a contract of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and exceptions of said Contract Work Hours and Safety Standards Act and to all other provisions and exceptions of said law.

18.2.1 Lessee shall not require or permit any laborer or mechanic in any workweek in which he is employed on any work under this Lease to work in excess of 40 hours in such work week on work subject to the provisions of the Contract Work Hours Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 40 hours in such work week. The "basic rate of pay", as used in this clause, shall be the amount paid per hour, exclusive of Lessee's contribution or cost for fringe benefits and any cash payment made in lieu of providing fringe benefits or the basic hourly rate contained in the wage determination, whichever is greater.

18.2.2 In the event of any violation of the provision of Paragraph 18.2.1, Lessee shall be liable to any affected employee for any amounts due, and to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph 18.2.1 in the sum of ten \$10.00 for each calendar day on which such employee was required or permitted to be employed on such work in excess of the standard workday of 8 hours or in excess of the standard work week of 40 hours without payment of the overtime wages required by Paragraph 18.2.1.

18.3 In connection with the performance of work required by this Lease, Lessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

19. SUBMISSION OF NOTICES:

Notices shall be sufficient under this Lease if made in writing and to the addressees as

Lessee:	City and County of San Francisco Ms. Annemarie Conroy San Francisco Mayor's Office Treasure Island Project 410 Palm Ave., Bldg. 1, Room 237 Treasure Island San Francisco, CA 94130
Government:	Commanding Officer (Attn: Code 624) Engineering Field Activity - West Naval Facilities Engineering Command 900 Commodore Drive San Bruno, CA 94066-5000

The individuals so designated above shall be representatives of the parties and the points of contact during the period of this Lease.

20. AUDIT:

This Lease shall be subject to audit by any and all cognizant Government agencies. Lessee shall make available to such agencies for use in connection with such audits all records which it maintains with respect to this Lease and copies of all reports required to be filed hereunder.

21. AMENDMENTS:

This Lease shall not be amended or modified unless in writing and signed by both parties. No oral statements or representation made by, for or on behalf of either party shall be a part of this Lease. Should a conflict arise between the provisions of this Lease and any exhibit hereto, or any other agreement between Government and Lessee, the provisions of this Lease shall take precedence.

22. FAILURE TO INSIST ON COMPLIANCE:

The failure of Government or Lessee to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of Government's or Lessee's right to the future performance of any such terms, covenants or conditions and Government's and Lessee's respective obligations in respect of such future performance shall continue in full force and effect.

23. DISPUTES:

23.1 This Lease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613) (the Act).

23.2 Except as provided in the Act, all disputes arising under or relating to this Lease shall be resolved under this clause.

23.3 "Claim", as used in this clause, means a written demand or written assertion by Lessee or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by Lessee seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph 23.4 below. A voucher, invoice or other routine request for payment that is not in dispute when submitted, is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

23.4 A claim by Lessee shall be made in writing and submitted within six (6) years after accrual of the claim, to the Engineering Field Activity West (ATTN.: Code 624), Naval Facilities Engineering Command, 900 Commodore Drive, San Bruno, CA 94066-5006 herein called "Command", for a written decision. A claim by the Government against Lessee shall be subject to a written decision by the Command.

23.4.1 Lessee shall provide the certification specified in subparagraph 23.4.3 of this clause when submitting any claim:

- (a) Exceeding \$100,000; or
- (b) Regardless of the amount claimed, when using:
 - (1) Arbitration conducted pursuant to 5 U.S.C. 575-580; or
 - (2) Any other alternative means of dispute resolution (ADR)

technique that the agency elects to use in accordance with the Administrative Dispute Resolution Act (ADRA).

23.4.2 The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

23.4.3 The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which Lessee believes Government is liable; and that I am duly authorized to certify the claim on behalf of Lessee."

23.4.4 The certification may be executed by any person duly authorized to bind Lessee with respect to the claim.

23.5 For Lessee claims of \$100,000 or less, the Command, must, if requested in writing by Lessee, render a decision within 60 calendar days of the request. For Lessee-certified claims over \$100,000, the Command, must, within 60 calendar days, decide the claim or notify Lessee of the date by which the decision will be made.

23.6 The Command's, decision shall be final unless Lessee appeals or files a suit as provided in the Act.

23.7 At the time a claim by the Lessee is submitted to the Command or a claim by Government is presented to Lessee, the parties, by mutual consent, may agree to use ADR. When using arbitration conducted pursuant to 5 U.S.C. 575-580, or when using any other ADR technique that the agency elects to employ in accordance with the ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Paragraph 23.4.3 of this clause, and executed in accordance with Paragraph 23.4.4 of this clause.

23.8 Government shall pay interest on the amount found due and unpaid by Government from (1) the date the Command receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Command initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury, as provided in the Act, which is applicable to the period during which the Command receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

23.9 Lessee shall proceed diligently with the performance of Lease, pending final resolution of any request for relief, claim, appeal or action arising under Lease, and comply with any decision of the Command.

24. COVENANT AGAINST CONTINGENT FEES:

Lessee warrants that no person or agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty, Government shall have the right to annul this Lease without liability or in its discretion, to require Lessee to pay the full amount of such commission, percentage, brokerage or contingent fee.

25. OFFICIALS NOT TO BENEFIT:

No member of or delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this Lease or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

26. LIENS:

Lessee shall promptly discharge or cause to be discharged any valid lien, right in rem, claim or demand of any kind, except one in favor of Government, which at any time may arise or exist with respect to the Leased Property or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, or should Lessee or sublessee be declared bankrupt or make an assignment on behalf of creditors, or should the leasehold estate be taken by execution, Government reserves the right to take immediate possession without any liability to Lessee or any sublessee. Lessee and any sublessee shall be responsible for any costs incurred by Government in securing clear title to its property.

27. TAXES:

Lessee shall pay or cause to be paid to the proper authority, when and as the same become due and payable, all taxes, assessments and similar charges which, at any time during the term of this Lease, may be imposed upon Lessee with respect to its operations of the Leased Premises. Title 10 United States Code, Section 2667(e) contains the consent of Congress to the Taxation of Lessee's interest in Leased Premises, whether or not the Leased Premises are in an area of exclusive federal jurisdiction. Should Congress consent to taxation of Government's interest in the property, this Lease will be renegotiated.

28. SUBJECT TO EXISTING AND FUTURE EASEMENTS AND RIGHTS-OF-WAY:

This Lease is subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in and upon Leased Premises or any portion thereof and to the right of Government to grant such additional easements and rights-of-way over, across, in and upon Leased Premises as it shall determine to be in the public interest; provided that any such additional easement or right-of-way shall be conditioned on the assumption by the grantee thereof of liability to Lessee for such damages as Lessee shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any Federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over Leased Premises as shall be necessary for the performance of their duties with regard to such facilities.

29. INGRESS-EGRESS AND PARKING:

Lessee and any sublessees will be granted reasonable access to Leased Premises under this Lease. Such access will be coordinated with Government. As a condition, Lessee and any sublessees agree to adhere to all base rules and regulations regarding installation security, ingress, egress, safety and sanitation as may be prescribed from time to time by Government. Parking will be coordinated with Government.

30. ADMINISTRATION:

Except as otherwise provided for under this Lease, Government shall, under the direction of the Command, have complete charge of the administration of this Lease, and shall exercise full supervision and general direction thereof insofar as the interests of Government are affected.

31. SURRENDER:

Upon the expiration of this Lease or its earlier termination in accordance with the terms of this Lease, Lessee shall quietly and peacefully remove itself and its property from Leased Premises and surrender the possession thereof to Government. Government may, in its discretion, declare any property which has not been removed from Leased Premises upon expiration or termination provided for above, as abandoned property upon giving to Lessee an additional 30 calendar days notice after the termination date.

32. INTEREST:

32.1 Notwithstanding any other provision of this Lease, unless paid within thirty (30) calendar days from the due date, all amounts that become payable by Lessee to Government under this Lease (net any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due. The rate of interest will be the Current Value of Funds rate published by the Secretary of Treasury pursuant to 31 U.S.C. 3717 (Debt Collection Act of 1982).

32.1.1 Amounts shall be, subject to applicable cure periods, due upon the earliest of:

32.1.1(a) the date fixed pursuant to this Lease,

32.1.1(b) the date of the first written demand for payment,
consistent with this Lease, including demand consequent upon default termination,

32.1.1(c) the date of transmittal by Government to Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount,

32.1.1(d) if this Lease provides for revision of prices, the date of written notice to Lessee stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by Lease supplement.

33. AVAILABILITY OF FUNDS:

33.1 The Government's obligations under this Lease are subject to the availability of funds appropriated for such purposes. Nothing in this Lease shall be interpreted to require obligations or payments by Government which are in violation of the Anti-Deficiency Act (31 USC 1341).

34. SPECIAL PROVISIONS:

34.1 Notwithstanding anything to the contrary contained in this Lease, there shall be no obligation for the payment or expenditure of money by Lessee under this Lease unless the Controller of the City and County of San Francisco first certifies, pursuant to Section 3.105 of the Charter of the City and County of San Francisco, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year of City after the fiscal year in which the Term of this Lease commences, sufficient funds for the payment of any payments required under this Lease are not appropriated for any reason, then either party may terminate this Lease upon thirty (30) calendar days written notice and Lessee shall quietly

and peacefully remove itself and its property from Leased Premises and surrender possession thereof to the Government. Notwithstanding the foregoing, this section 34.1 shall not in any way limit or otherwise impair Lessee's indemnification obligation arising under Sections 13.12 and 16 of this Lease.

34.2 Article 1.5 of the San Francisco Planning Code ("Code") requires the provision of bicycle storage at all properties leased by the City at no cost to the landlord, here the Government, and only if funds are available. In the event public and/or private donations, grants or other funds become available, at any time during this Lease, Lessee shall have the right to request that the Government amend this Lease to include space sufficient for the installation and operation of bicycle storage facilities. In the event of storage locker installation, the storage lockers shall be considered a trade fixture. Government, at no cost to Government, shall reasonably cooperate with City regarding the implementation of this Code.

34.3 The date on which this Lease shall become effective (the "Effective Date") is the date upon which (i) Lessee's Mayor and Board of Supervisors enact a resolution approving this Lease in accordance with all applicable laws and (ii) this Lease is duly executed by the parties hereto.

Lessee shall comply with all applicable laws and regulations pertaining to the use, treatment, storage, disposal and transportation of hazardous materials.

Lessee shall not interfere with the ongoing Installation Restoration and other environmental program activities. Lessee is prohibited from installing groundwater wells, or otherwise using groundwater without prior consent and oversight from the Navy, due to ongoing CERCLA and UST groundwater investigations on Yerba Buena Island. Lessee is prohibited from using the groundwater at the subject property. Lessee will be financially responsible for repairing any damage done to any existing or future groundwater monitoring wells.

Lessee is prohibited from excavating, drilling, or other ground-distributing activities, other than minor repairs of the pavement, at Reuse Zone 1E without the prior written consent and oversight of the Navy, except for routine landscaping activities, due to the ongoing investigation at adjacent CERCLA Site 29

Lessee is prohibited from using the groundwater at the subject property and Lessee will be financially responsible for repairing any damage done to any existing or future groundwater monitoring wells.

The Lease will require the Lessee to conduct routine evaluations of the condition of existing ACM and to comply with all applicable federal, state, and local laws relating to asbestos. Before reconstruction or remodeling, the Lessee must submit plans to the Navy to prevent an inadvertent disturbance of potential ACM. For the purposes of this Lease, the Lessee will agree that during its use and occupancy of the property, it will bear all costs for managing the ACM properly. The

Navy will also require the Lessee to (1) obtain written Navy approval before any construction or modification to any building or structure and (2) submit and ACM management plan within 30 days of leasing the property.

The Lessee shall not permit the use of these premises for residential habitation unless the Lessee, at its own expense, has eliminated any hazards of lead-based paint in accordance with all applicable laws, rules, and regulations, and the Lessee, at its own expense, has received certification from a state-certified lead-based paint assessor or inspector that no lead-based paint hazards are identified at the premises. Throughout the term of the Lease the Lessee shall be responsible for monitoring the condition of the lead-based paint and eliminating any hazard that may develop during the term of the Lease. The Lessee shall immediately notify the Navy of any change in occupancy in the affected quarters.

Lessee shall be responsible for obtaining all necessary permits and licenses for operation. Any violation of permit conditions will be grounds to terminate the lease.

Lessee shall obtain written approval prior to construction or modification to any building or structure.

Lessee shall not dispose of any hazardous materials or waste.

Lessee shall restrict construction, alteration, or modification (including paint stripping and sanding) without prior testing of the paint and notification and approval by the navy prior to the initiation of the activity.

Lessee shall be prohibited from digging any foundations, trenches, ditches, holes, or otherwise disturbing the soil, including soils below the groundwater table unless proper dust control measures and appropriate health and safety protection measures are implemented and maintained during these activities, and prior consent and oversight from the Navy has been obtained. This provision shall not apply to routine landscaping activities.

Lessee shall be prohibited from installing any groundwater wells at the subject property, or otherwise using groundwater without prior consent and oversight from the Navy.

The Navy and regulatory agencies reserve the right to enter the subject property to conduct investigations and surveys, collect samples, perform remediation, access monitoring wells, or engage in other activities associated with the IR and BRAC programs.

Uses by the Lessee are limited to a type and nature described in the Lease document.

Lessee shall comply with California Environmental Quality Act (CEQA) requirements as may be applicable.

Lessee shall comply with all applicable federal, state, and local laws relating to asbestos. Prior to reconstruction or remodeling, the Lessee must submit plans to the Navy to prevent the unknowing disturbance of potential ACM.

Lessee is prohibited from excavating without the prior consent and oversight of the Navy, except for routine landscaping activities.

The Navy and regulatory agencies reserve the right to enter the subject property to conduct investigations and surveys, collect samples, perform remediation, access monitoring wells, or engage in other activities associated with the IR and BRAC programs.

Lessee shall bear all costs for managing the ACM properly.

Lessee shall submit an ACM management plan within 30 days of leasing the property.

Lessee shall be responsible for obtaining all necessary permits and licenses for operation. Any violation of permit conditions will be grounds to terminate the lease.

35. LIST OF EXHIBITS:

The following exhibits are a part of this Lease:

- Exhibit A - Leased Premises
- Exhibit B - Inventory of Personal Property
- Exhibit C - Joint Inspection Report
- Exhibit D - EBS and FOSL
- Exhibit E - Utility Rates Schedule
- Exhibit F - Safety and Health Hazards to be Corrected
- Exhibit G - Government's Obligations to Abate Asbestos
- Exhibit H - Pre-Approved Hazardous Materials

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below duly
executed this Lease as of the day and year first above written.

WITNESS

THE UNITED STATES OF AMERICA

By: _____
Real Estate Contracting Officer

Date: _____

THE CITY AND COUNTY OF SAN FRANCISCO

By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A

LEASE

EXHIBIT A

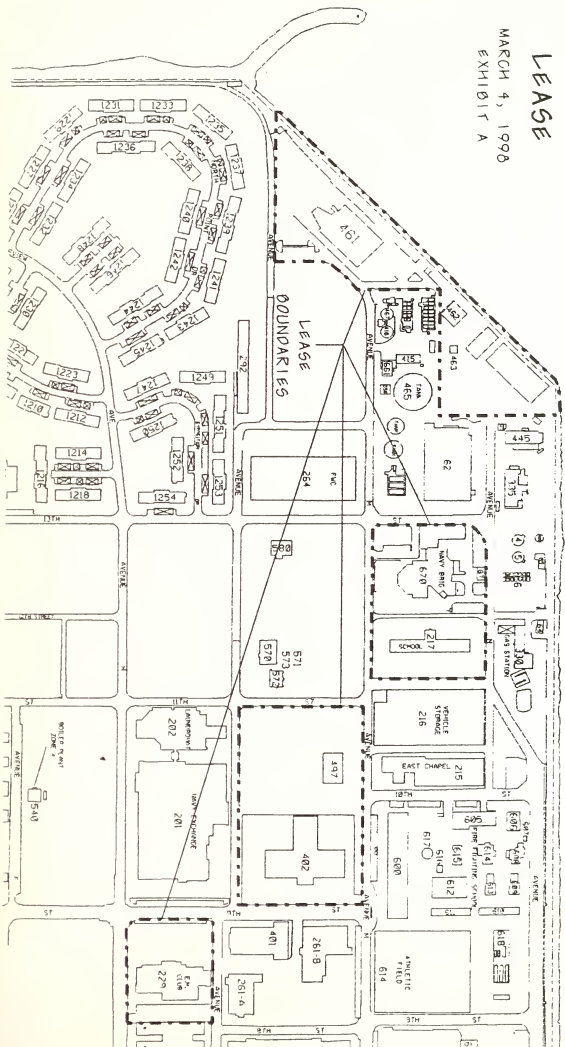


EXHIBIT B

INVENTORY OF PERSONAL PROPERTY

EXHIBIT C

JOINT INSPECTION REPORT

To be completed at time of move-in by both parties.

EXHIBIT D

EBS AND FOSL

EBS:

ZONE 1

PARCELS T077, T078, T079 AND T080

PARCELS T081, T082, T083, T109, T110, T111

FOSL:

ZONE 1B

ZONE 1E

PARCELS T077, T078, T079 AND T080

PARCELS T081, T082, T083, T109, T110, T111

CATEX:

POLICE/SHERIFF'S AREA

EXHIBIT E

UTILITIES AGREEMENT SUPPORTING LEASE OF FIRE FIGHTING TRAINING CENTER NAVAL STATION TREASURE ISLAND

ARTICLE 10, UTILITIES

(a) Portions of the Government's utilities systems serving the Station are located within the Premises and are reserved for use by the Government hereunder. The Lessee agrees to allow the Government or its utility suppliers reasonable access to the Premises for such operation, maintenance, repair and replacement of these utilities systems as may be required. In executing operation, maintenance, repair or replacement of these systems, the Government agrees to take all reasonable steps to limit interference with the use of the Premises by the Lessee or its approved sublessees or assignees.

(b) Prior to commencement of the term of this Lease, the Government and the Lessee will agree upon the terms and conditions for delivery of utility services by the Government to the Lessee which agreement will be appended as Exhibit "E" to this Lease. Conditions will include the following:

(1) Sewage discharge by the Lessee to the Government owned sewer system must meet all requirements of any applicable waste water discharge permit or contract issued by or between the Government and Bay Area Water Quality Management Board for discharge of sewage from the Station.

(2) Storm water discharged from the Premises must meet the requirements of permits issued to the Government in accordance with the National Pollution Discharge Elimination System (NPDES) for discharge of storm water from the Station. In addition, the Lessee agrees to participate in any storm water quality management program required by applicable local, State, or Federal regulations.

(c) The Lessee may, at its own cost, replace, remove, or relocate utility systems on the Premises in order to use the Premises, so long as there is no unreasonable interference with use by the Government of the utility systems and provided the Government has approved the replacement, removal or relocation in advance. Government approval shall not be unreasonably denied or delayed.

BACKGROUND

This exhibit implements the agreement stipulated in ARTICLE 10, of the Lease between the Lessee and the Government.

AGREEMENT

Pursuant to the requirements stipulated in ARTICLE 10 of said Lease, the Lessee and the Government hereby agree to the following with respect to Government-owned utility systems and to Government-provided utility services:

1. General

All utility services delivered at the premises shall be obtained from the City and County of San Francisco (CCSF) in accordance with provisions of Cooperative Agreement N624749720003 entered into by the Navy and CCSF. The Lessee agrees to conform to conditions of service which may be laid out by CCSF in addition to the general requirements of paragraphs 2.0 through 7.0, below. Assistance in obtaining service from CCSF can be obtained by contacting:

**San Francisco Public Utilities Commission
410 Palm Ave., Building 1
Treasure Island
San Francisco, CA 94130**

**Attn.: Chuck Swanson, Utilities Project Manager
Phone: 415 274 0333**

2.0 Metering

Electric, natural gas and water service will be authorized by the Government only after installation of meters which fully and exclusively measure consumption on the Premises. Prior to commencement of service the Lessee will insure that any additional metering which may be required has been installed by the San Francisco Public Utilities Commission (SFPUC), as the representative of the CCSF, or in accordance with SFPUC requirements and with written SFPUC authorization. Unless otherwise stipulated by the SFPUC, the volume of sewer discharge from the Premises will be assumed to equal water consumption as measured by applicable meters.

3.0 Commencement of Service

Service will commence after the Lessee, or any sublessee authorized by the Government, has established an account with the SFPUC and has made any advance service deposit which the SFPUC may require.

4.0 Rates

Until further notice by the Government or the SFPUC, the following rates are in effect:

Utility	Unit	Charge Per Unit
Electricity	MWH (million watt-hours)	\$142.75
Natural Gas	MFC (1,000 cubic feet)	\$ 6.00
Water	KGAL (thousand gallons)	\$ 5.40
Sewer	KGAL	\$ 5.75

5.0 Billing and Payment

Monthly bills for utilities services will be issued by the SFPUC to the Lessee or to a Government authorized sublessee as agreed upon between the Lessee and the SFPUC. Payment to the SFPUC is due within 10 working days of receipt of the bill. Adjustments to billed amounts may requested only after receipt of the billed amount by the SFPUC and may be granted by the SFPUC only after an error in the originally presented bill is clearly established and documented.

6.0 Service to Sublessees

As stated in paragraph 5.0, above, payment for utility service may be made directly to the SFPUC by a Government authorized sublessee, rather than by the Lessee, subject to agreement by the SFPUC. In the event any such agreement is made, the Lessee will insure that the applicable sublease contains provisions sufficient to bind the sublessee to all conditions of service given here as well as to any additional conditions of service which may be imposed by the SFPUC.

7.0 Failure by Sublessees to Make Payment

Any Government authorized sublessee obligated to make payment for utility services directly to the SFPUC will be considered in arrears if payment of any bill is not received within 30 working days of presentation to the sublessee by the SFPUC. In any such case, the liability for payment will immediately revert to the Lessee and will remain with the Lessee for the remainder of the term of this Lease.

EXHIBIT F

SAFETY AND HAZARDS TO BE CORRECTED

There are no safety or health hazards identified by the Government as requiring correction.

EXHIBIT G

GOVERNMENT'S OBLIGATIONS TO ABATE ASBESTOS

No Asbestos Containing Materials identified as requiring abatement by Government.

EXHIBIT H

Pre-Approved Hazardous Materials

Velva-sheen Dust Mop Treatment (aerosol)
Archer Pink Super Concentrate
Archer Power Burst
Mop & Strip No rinse
Concentrated Glass Cleaner (non-ammonia)
All Pure Bleach
Malibu Shop Towel Dye Package (laundry product)
Abrasive Cleanser
Low Suds Wax & Finish Remover
Softener & Bacteriostatic Agent (laundry product)
Phase IV (sodium salt laundry product)
Sour Clear (sodium metabisulfite laundry product)
Ecolo Fluor (laundry product)
Malibu Shop Towel Dye Bulk (laundry product)
Creslan Acrylic fiber
Waste Cotton Yarns (mop heads)
Regenerated Cellulos Fiber
Pine Quat 6
Formulation 64-RP
Foremost 615 Petal, Pink Lotion Soap
Stainless Steel Polish

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: City-Navy Cooperative Agreement

Agenda Item No. 12
Meeting of October 21, 1998

Contact/Phone: Annemarie Conroy, Executive Director
Eila Arbuckle, Finance Manager
Robert Mahoney, Facilities Manager
274-0660

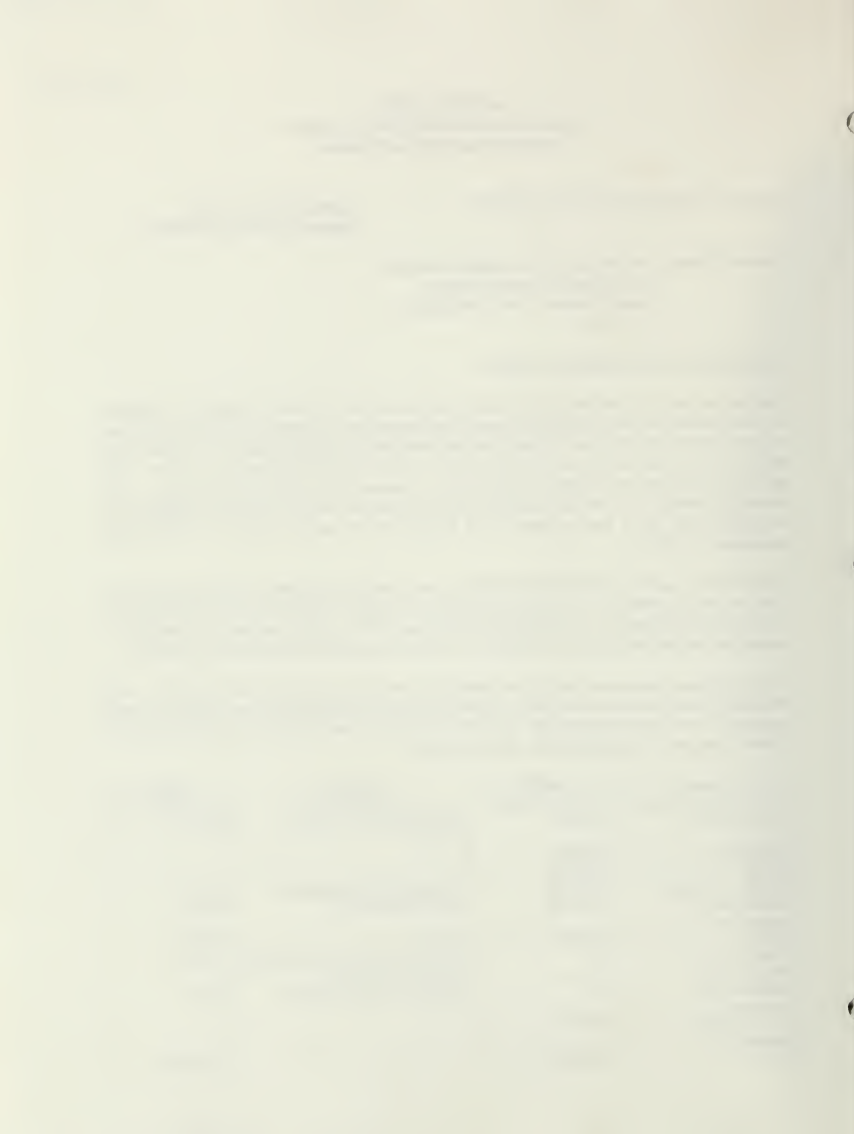
SUMMARY OF PROPOSED ACTION:

Staff request that the Authority recommend to the San Francisco Board of Supervisors approval of a modification of the Cooperative Agreement between the Authority and the U.S. Navy that will provide \$4,000,000 to the Authority as compensation for caretaker services on former naval station Treasure Island for the period October 1, 1998 through September 30, 1999. The \$4,000,000 includes an extension of the initial Agreement for the period December 1, 1998 through September 30, 1999 with additional payment from the Navy of \$666,667 negotiated by the Project staff, for a total payment of \$4 million for the period October 1, 1998 through September 30, 1999.

The U.S. Navy agreed to provide \$4 million to fund caretaker services on former naval station Treasure Island performed by the City and County of San Francisco for the period October 1, 1997 through September 30, 1998 (federal fiscal year 1998). This contract was amended to extend the contract term through November 30, 1998 with an additional payment of \$666,667.

The Cooperative Agreement initially required City services in nine functional annexes. Staff have negotiated consolidation of some of these annexes for federal fiscal year 1999 (the period October 1, 1998 through September 30, 1999) to facilitate accounting and reporting activities. These changes are summarized in the following table:

Function 10-01-97 through 09-30-98	Budget 10-01-97 - 09-30-98	Function 10-01-98 - 09-30-99	Budget 10-01-97 - 09-30-99
Law enforcement	\$250,000	Public Safety (police, fire, & security)	\$1,500,000
Fire protection	\$500,000		
Security	\$250,000		
Building maintenance	\$858,000	Building & Street Maintenance	\$1,200,000
Roads & Grounds maintenance	\$1,242,000	Grounds Maintenance	\$500,000
Utilities	\$800,000	Utilities	\$500,000
Personal Property Maintenance	\$0	Cooperative Agreement & Personal Property Maintenance	\$250,000
Telephone Cable Maintenance	\$0	Telephone Cable Maintenance	\$50,000
Coop. Agreement Management	\$100,000		
Total	\$4,000,000		\$4,000,000



1 [Cooperative Agreement]

2 APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A
3 COOPERATIVE AGREEMENT WITH THE NAVY WHEREBY THE TREASURE ISLAND
4 DEVELOPMENT AUTHORITY WILL ASSUME CERTAIN RESPONSIBILITIES REGARDING
5 THE OPERATION AND MAINTENANCE OF TREASURE ISLAND, AND THE NAVY WILL
6 REIMBURSE THE AUTHORITY FOR THE COSTS THEREFOR.

7 WHEREAS, Naval Station Treasure Island is a military base
8 located on Treasure Island and Yerba Buena Island (together, the
9 "Base"), which is currently owned by the United States of America
10 (the "Federal Government") and operated by the United States Navy
11 (the "Navy"); and,

12 WHEREAS, The Base was selected for closure and disposition
13 by the Base Realignment and Closure Commission in 1993, acting under
14 Public Law 101-510, and its subsequent amendments; and,

15 WHEREAS, On May 2, 1997, the Board of Supervisors passed
16 Resolution No. 380-97, authorizing the Mayor's Treasure Island
17 Project Office to establish a nonprofit public benefit corporation
18 known as the Treasure Island Development Authority (the "Authority")
19 to act as a single entity focused on the planning, redevelopment,
20 reconstruction, rehabilitation, reuse and conversion of the Base for
21 the public interest, convenience, welfare and common benefit of the
22 inhabitants of the City and County of San Francisco; and,

23 WHEREAS, With the approval of the Board of Supervisors, the
24 City entered into a Cooperative Agreement with the Navy under which
25 the City agreed to assume responsibility for (i) operation and



1 maintenance for the water, waste water, storm water, electric and gas
2 utility systems on the Base, (ii) security and public health and
3 safety services, (iii) grounds and street maintenance and repair, and
4 (iv) property management and caretaker services; utility services to
5 the Base and the Navy agreed to reimburse the City for the costs
6 thereof up to a maximum of \$4,000,000 for the Period from October 1,
7 1997-September 30, 1998 and (the "Cooperative Agreement"),

8 WHEREAS, Pursuant to the terms and conditions of
9 Modifications to the Cooperative Agreement substantially in the form
10 of the Modifications to the Cooperative Agreement attached hereto as
11 Exhibit A (the "Cooperative Agreement Modifications"), the Authority
12 would assume responsibility for (i) operation and maintenance of the
13 water, waste water, storm water, electric and gas utility systems on
14 the Base, (ii) certain security and public health and safety
15 services, (iii) grounds and street maintenance and repair, and (iv)
16 property management and caretaker services, and the Navy would
17 reimburse the Authority for the costs thereof, up to a maximum of
18 \$4,000,000 for the period from October 1, 1998-September 30, 1999;
19 and,

20 WHEREAS, Pursuant to the Cooperative Agreement
21 Modifications, the Authority will indemnify and hold harmless the
22 Federal Government from any claims, losses or other damages incurred
23 by the Federal Government as a result of the Authority's activities
24 pursuant to the Cooperative Agreement Modifications, including,





UNITED STATES NAVY
AGREEMENT
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE
NO. N62474-97-2-0003
MODIFICATION P00004

COOPERATIVE AGREEMENT

GRANTEE: CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 PALM AVE., BLDG 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

TOTAL AMOUNT OF COOPERATIVE AGREEMENT FOR THE PERIOD
OF 1 OCTOBER 1998 THROUGH 30 SEPTEMBER 1999 IS: \$4,000,000.00

AUTHORITY: Section 2905(a)(1)(B) of Public Law 101-510

COOPERATIVE AGREEMENT MODIFICATION:

The purpose of this modification is to extend the Cooperative Agreement from 1 December 1998 through 30 September 1999 in accordance with Section 701 and to revise the Cooperative Agreement as follows:

The general provisions remain unchanged except for Section 403: Replace the previous Modification P00001 first paragraph with the following: "All Caretaker services required by this Agreement are incrementally funded. The sum of \$(TBD) of the total amount of the Cooperative Agreement for the period 1 October 1998 through 30 September 1999 is presently available for payment and allotted to this Agreement."

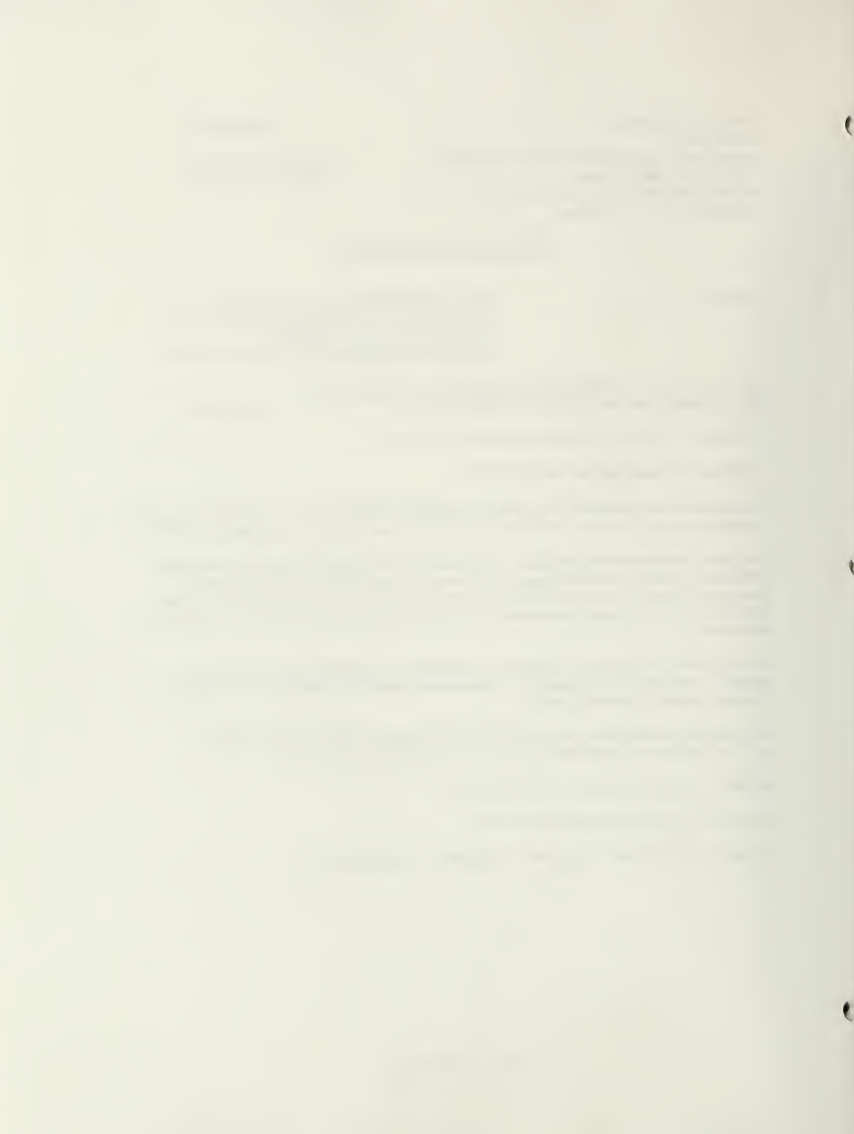
Delete Appendix I Requirements Statement and Appendix II Consolidated Cost Estimate from Modification P00003 and insert Appendix I Requirement Statement and Appendix II Consolidated Cost Estimate, attached to and made a part of.

As a result of this Modification, the total amount of the Cooperative Agreement is increased by \$3,333,333.00 from \$6,724,880.00 to a new not-to-exceed price of \$10,058,213.00.

PAYMENT WILL BE MADE BY: DFAS San Diego.

ACCOUNTING AND APPROPRIATION DATA.

(INSERT ACCOUNTING DATA UPON AWARD OF CA MODIFICATION)



CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
as Caretaker:

U. S. NAVY:

By: _____
Mayor

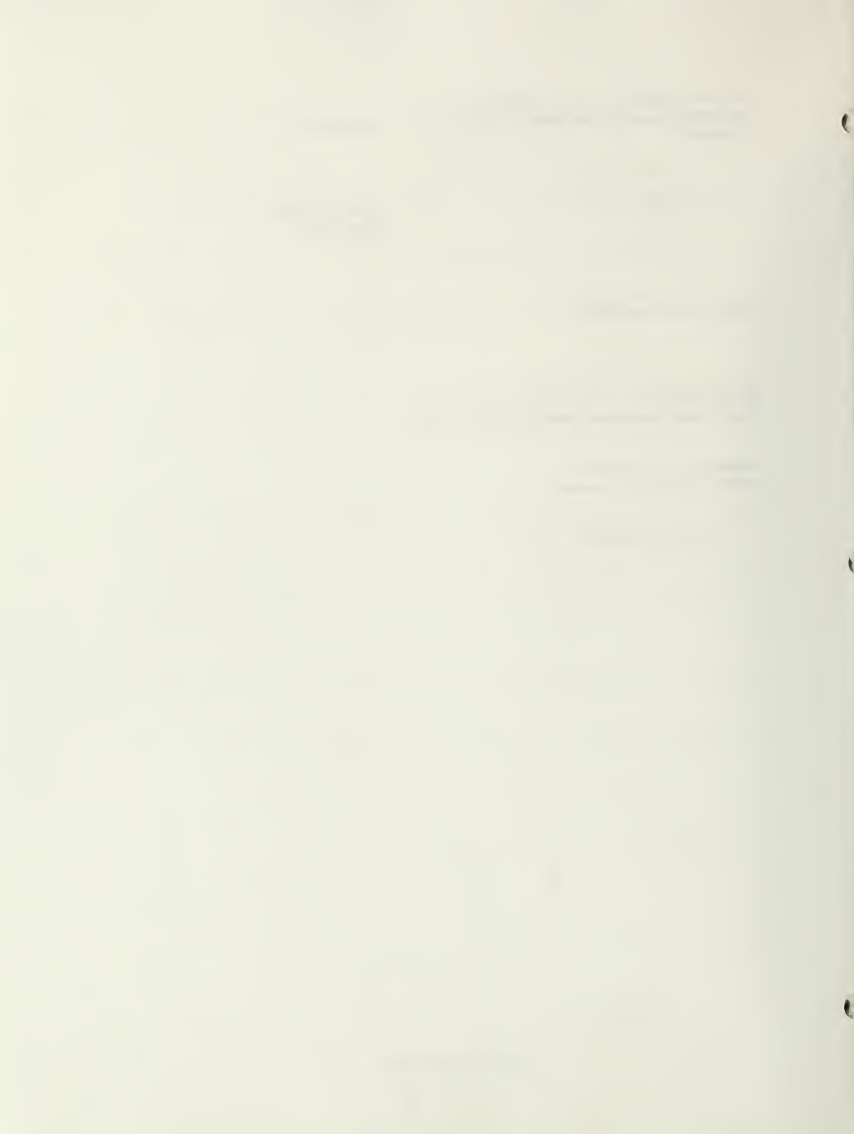
By: _____
ROBERT BOYER
Grants Officer

Clerk of Board of Supervisors

Annemarie Conroy
Treasure Island Development Authority Executive Director

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By: _____
Deputy City Attorney



REQUIREMENTS STATEMENT INTRODUCTION

LOCATION

This agreement concerns the operations, maintenance and protection of the closed Naval Station (NS) Treasure Island. NS Treasure Island closed operationally at the end of September 1997.

The operation and maintenance of Navy facilities that are licensed or leased to tenants by the City of San Francisco are excluded from this agreement.

GOVERNMENT FURNISHED PROPERTY, EQUIPMENT, AND MATERIAL

Government Furnished Property, Equipment and Material (GFP/GFE/GFM) is property, equipment, or material that is provided to the Caretaker to reduce the cost of this agreement or to assist the Caretaker in start-up. GFP/GFE/GFM held by the Caretaker continues to be owned by the Navy until consumed or returned. The Caretaker is responsible to provide proper care, maintenance, and security of GFP/GFE/GFM. Property, equipment, and material purchased by the Caretaker and reimbursed by the Navy is considered GFP/GFE/GFM.

ORGANIZATION

The technical section of this agreement is divided into six (6) function annexes.

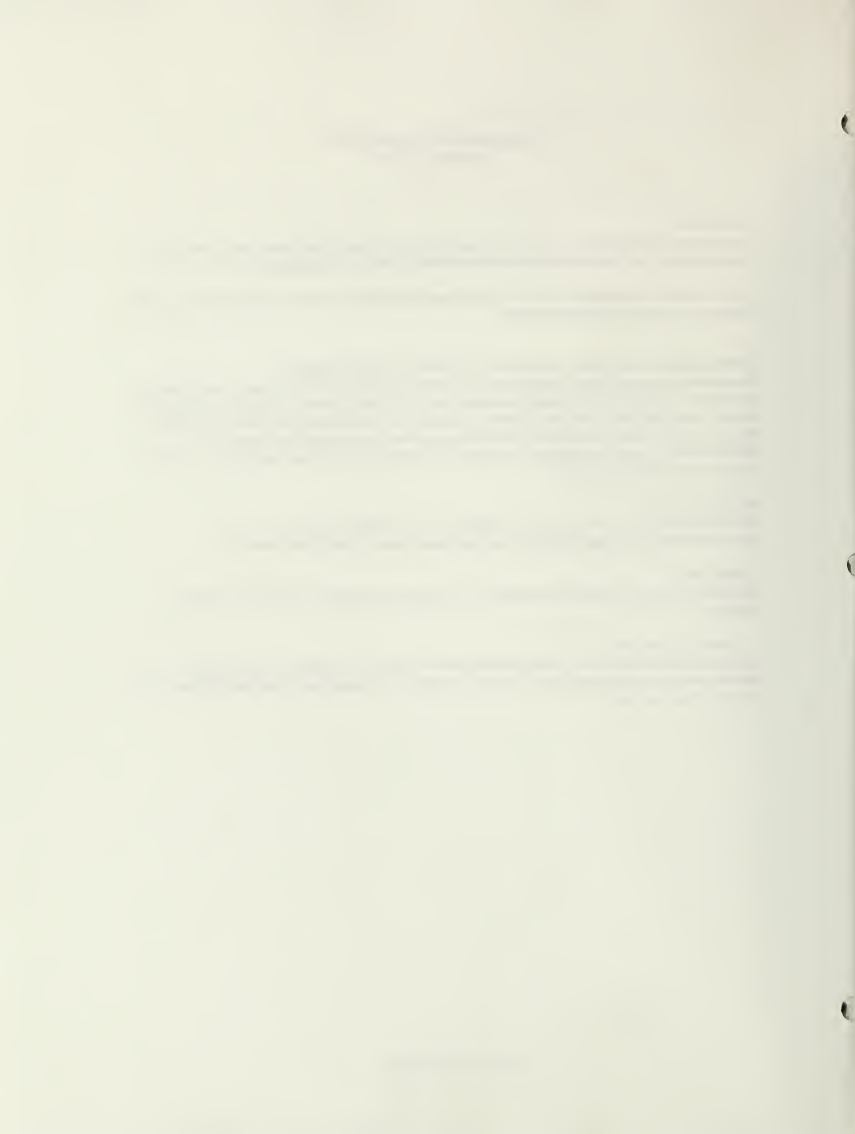
For ease of reading, each annex follows a standard format which is briefly described below.

1. Description

These paragraphs generally define the scope of the functions and services to be provided under the agreement.

2. Concept of Operations

These paragraphs provide more specific descriptions of the services, operations and maintenance functions that are included in the annex. Service, operations, and maintenance standards are those of the service/function provider.



3. Plan for Future Conveyance

This paragraph outlines the requirement of the Caretaker and the Navy to cooperatively develop a plan of action with milestones for conveyance of the facilities required for this function to the future owner.

4. Government Furnished Property/Equipment

This section refers to a list of government property and equipment which shall be used by the Caretaker in the performance of the services and functions.

Appendix A Cost Reimbursement

Appendix A contains consolidated cost estimates for the 2nd full term of the Cooperative Agreement from October 1998 through September 1999. Costs may be reallocated with prior Navy approval between function areas during the term of the agreement within the original Cooperative Agreement scope not to exceed the total estimated cost.

TERMS AND ACRONYMS

Several terms and acronyms frequently appear in the text of the function annexes. A list brief of these terms and acronyms follows:

Caretaker	The City of San Francisco
CA	Cooperative Agreement
CSO	The Navy Caretaker Site Office located at the closed Naval Station Treasure Island.
GFP/GFE	Government Furnished Property/Government Furnished Equipment
NS	Naval Station
SOP	Standard Operating Procedure
TIDA	Treasure Island Development Authority
TI	Treasure Island
YBI	Yerba Buena Island

FUNCTION ANNEX 1
POLICE, SECURITY, FIRE, AND EMERGENCY MEDICAL SERVICES

FUNCTION ANNEX 1, PART 1: LAW ENFORCEMENT SERVICES

1.1. Description

1.1.1. The Law Enforcement Services function in this agreement is the same or similar to services provided by the City of San Francisco Police Department for public protection and handling of criminal offenses committed on the closed Naval Station and nearby Navy-owned property. This function includes law enforcement under the jurisdiction of the court system of the County of San Francisco and the State of California. It also includes police services and animal control services, as currently practiced by the City of San Francisco.

1.2. Concept of Operations

The Caretaker shall provide police services to the closed Naval Station Treasure Island in accordance with established standards of the City of San Francisco.

The Caretaker shall provide response to all emergency and non-emergency calls for service, traffic enforcement, animal control services and all other services normally provided by the San Francisco Police Department to the population of the City of San Francisco.

1.2.3. Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basis for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretaker's plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

1.2.4. The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include a methodology for tracking and documenting reductions in workload and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity.

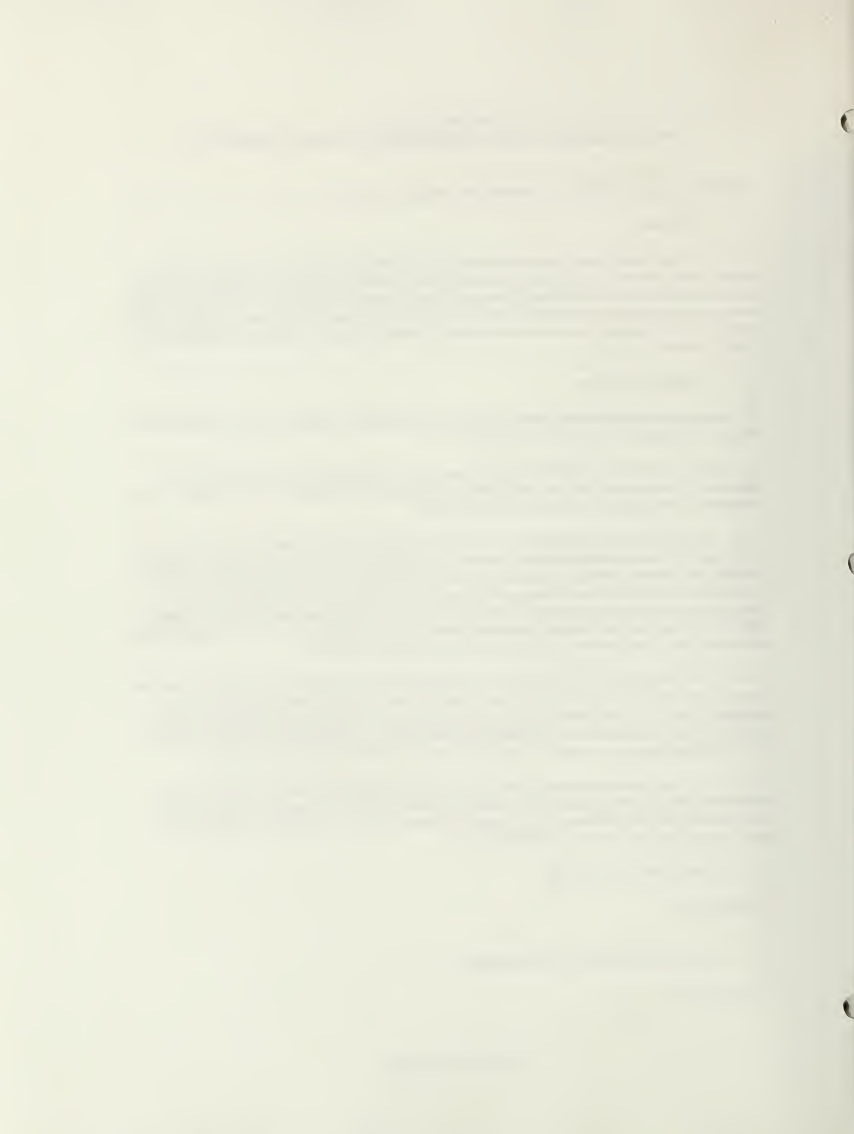
The Caretaker shall develop a detailed Technical Execution Plan addressing all issues relating to law enforcement and security services delivery, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998.

1.3. Plan for Future Conveyance

(not applicable.)

1.4. Government Furnished Property/Equipment

(not applicable.)



FUNCTION ANNEX I, PART I.A: SECURITY SERVICES

I.A.1. Description

I.A.1.1. Security services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to protect government property (facilities and personal property) and control access to the Navy owned property.

I.A.1.2. Security services begin under this agreement on 1 October 98.

I.A.2. Concept of Operations

I.A.2.1. The Caretaker, shall provide security services as described below.

I.A.2.2. The Caretaker shall establish 24-hour, security posts at the main gate to the former NS Treasure Island and provide roving security patrols. The main duties of the security posts include visitor access control and deterrence of unauthorized removal of property. Roving security patrol duties include full-time surveillance and deterrence of unauthorized entry to the property and its facilities.

I.A.2.3. All security personnel shall wear uniforms distinguishing them as part of an official security workforce. Security vehicles shall also have distinguishing security markings.

I.A.2.4. Security personnel shall have full-time radio communication capability with each other and with the San Francisco Police Department. Security personnel shall immediately call for Police response if they detect any indication of a crime being committed or previously committed.

I.A.2.5. Security personnel are not required or authorized to carry firearms.

I.A.2.6. The Caretaker shall provide all supplies and equipment necessary to perform the security service, except as indicated in I.A.4 below.

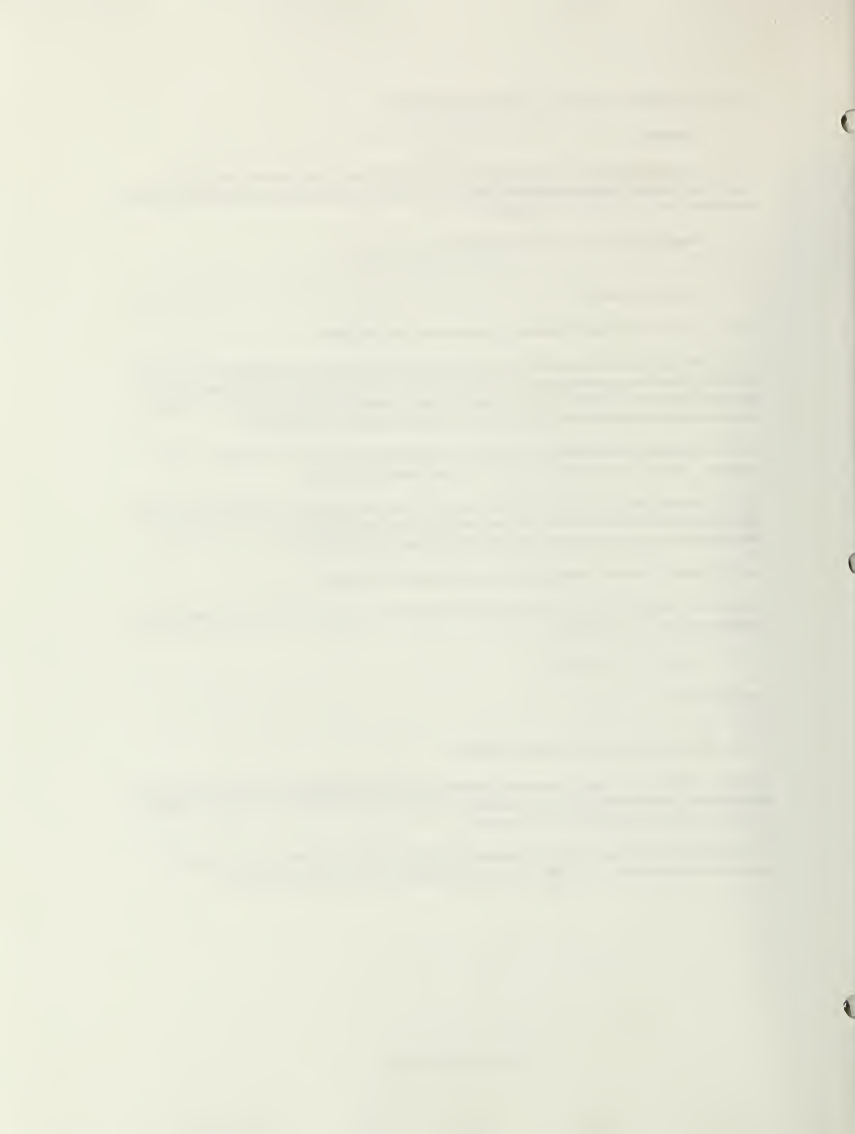
I.A.3. Plan for Future Conveyance

(not applicable)

I.A.4. Government-Furnished Property/Equipment

Technical Exhibit I-1 is a list of government-furnished property and equipment (GFE) that the Navy shall provide to the Caretaker for performing this function. These exhibits will become a part of the Technical Execution Plan for Personal Property Management.

The Caretaker shall manage and update changes to GFP/GFE Technical Exhibits, and submit updated copies, as modifications to the Personal Property Management TEP, to the Navy for review.



FUNCTION ANNEX I, PART I.B: FIRE PROTECTION/SUPPRESSION AND EMERGENCY RESPONSE SERVICES

I.B.1. Description

The Fire Protection/Suppression and Emergency Response Services, hereinafter called the "Fire Protection" function, includes services which involve the operation of fire reporting communications center, fire operations, fire prevention inspections, rescue, hazardous materials first responder, emergency medical first responder, and ambulance service. Maintenance of the fire protection facilities shall be accomplished under the Building Maintenance Services Annex (Annex 4) to this agreement.

I.B.2. Concept of Operations

The Caretaker shall provide the Fire Protection function and services to the closed Naval Station Treasure Island in accordance with established standards of the City of San Francisco.

The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for the Fire Protection function that serves those areas of the closed NS which have limited or no reuse potential

The Caretaker shall conduct fire inspections in all Caretaker Facility Maintenance Level I, II, III, and IV facilities. The term "Levels" refers to standard Navy Caretaker Levels as described in Annex 4 of this agreement.

The Caretaker shall conduct periodic visual inspections of fire alarm systems and fire protection systems (which include automatic sprinkler systems, standpipe systems, and other extinguishing systems). Routine inspections shall be performed on operational systems. Systems that have not been certified or are presently out-of-service or lacking proper maintenance or repair, shall remain out of service, or shall be placed out-of-service by the Caretaker. Engineered fixed extinguishing systems shall be placed out-of-service in all vacant buildings.

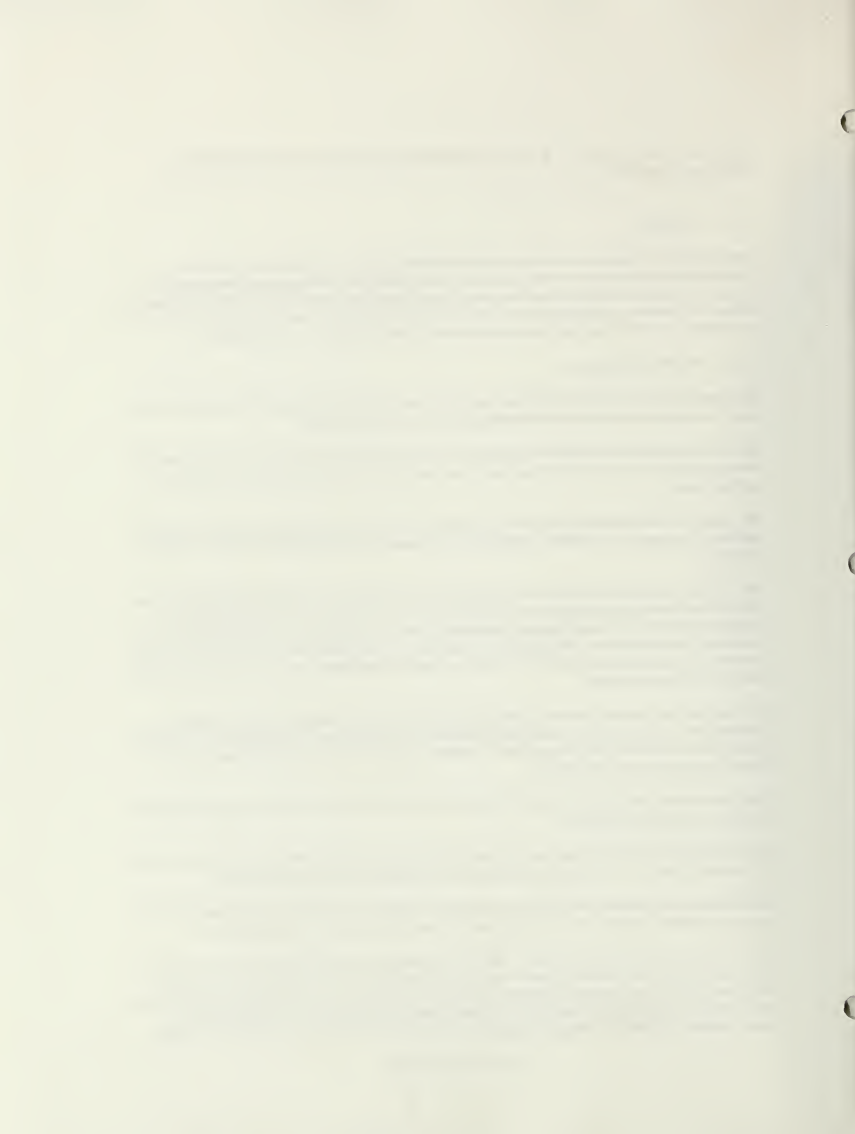
The Caretaker shall provide hazardous materials response and limited cleanup. Hazardous materials response shall include response to spills which impact the surrounding bay waters directly or via the storm drain system. Operations shall be conducted in a manner consistent with the normal procedures of the City of San Francisco Fire Department.

The Caretaker shall incorporate the closed NS into the City of San Francisco's disaster preparedness and emergency management programs.

The Caretaker shall maintain maps, records, and drawings related to the Fire Protection functions as listed in Technical Exhibit 2-1. All records and maps shall be available to the Navy upon request.

The Caretaker shall attend meetings involving all major changes to the infrastructure, building occupancy and use, demolition of structures, and planned public events that impact safe occupancy limits.

I.B.3. Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basis for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretakers plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker



Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

1.B.4. The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include, a methodology for tracking and documenting reductions in work load and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity.

The Caretaker shall develop a detailed Technical Execution Plan addressing all issues related to fire protection and emergency response services delivery, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998.

1.B.5. Plan for Future Conveyance

(not applicable)

1.B.6. Government-Furnished Property/Equipment

Technical Exhibit 2-1 is a list of fire protection/suppression and emergency response services documentation that the Caretaker shall maintain.

Technical Exhibit 2-2 is a list of government-furnished property (GFP) that the Navy shall provide to the Caretaker for performing this function. This exhibit will become a part of the Technical Execution Plan for Personal Property Management.

Technical Exhibit 2-3 is a list of government-furnished vehicles that the Navy shall provide to the Caretaker for performing this function. This exhibit will become a part of the Technical Execution Plan for Personal Property Management.

The Caretaker shall manage and update changes to GFP/GFE Technical Exhibits, and submit updated copies, as modifications to the Personal Property Management TEP, to the Navy for review.

THE UNIVERSITY OF CHICAGO

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Technical Exhibit 2-1
Fire Protection/Suppression and Emergency Response Services
Documentation
RECORD KEEPING SYSTEMS

Records, documentation, recorded or documented instructions and record keeping systems: Fire department recorders, documentation, instructions, reference, training materials, and their systems will include but not be limited to:

- a) Fire Prevention records, documentation, instructional reference and training materials.
- b) Fire Suppression records, documentation, instructional reference and training materials.
- c) Hazardous Materials records, documentation, instructions, reference and training materials.
- Emergency Medical Services records, documentation, instructions, reference and training materials.
- e) Fire Alarm maintenance, test, operation instructions, and reference materials.
- f) Fire Department communications equipment maintenance, test, operation instructions, and reference materials.
- g) Water System maintenance, test, operation, and reference materials.
- h) Vehicle maintenance, test, operation, reference and training materials.
- i) Fire Fighting Equipment maintenance, test, operation, reference and training materials.
- Disaster Preparedness records, documentation, instructional, reference and training materials.
- Training records and documentation.
- l) Response records and documentation.
- Utility back up systems tests, records, documentation, operation instructions, reference and training materials.
- n) Records, and documentation relating to construction, utilities, seismic studies, hazardous material abatement, remodeling and/or retrofitting, and layout.

FUNCTION ANNEX 2

TELEPHONE CABLE MAINTENANCE SERVICES

2.1. Description

2.1.1. The telephone cable system for the closed Naval Station (NS) Treasure Island consists of all existing cables, connections, and terminals located throughout the base. The system is located primarily underground running through utility ducts accessible through manholes. Termination boards are located in building structures. The main termination board is located in Building 1.

2.2. Concept of Operations

2.2.1. The Caretaker, will maintain the telephone cable system in an operable condition.

2.2.2. The Caretaker and the Navy will work cooperatively to minimize/eliminate maintenance costs for the system that serves those areas of the closed NS with limited or no reuse potential.

2.2.3. The Caretaker shall conduct system maintenance and repairs necessary to provide a safe, operational telephone cable system. The Caretaker and the Navy will work cooperatively, using sound engineering judgment, to identify optimum corrective solutions for system deficiencies.

2.2.4. The Caretaker will maintain maps and record drawings related to the telephone cable system. All records and maps will be available to the Navy upon request to be used as documentation for system conveyance.

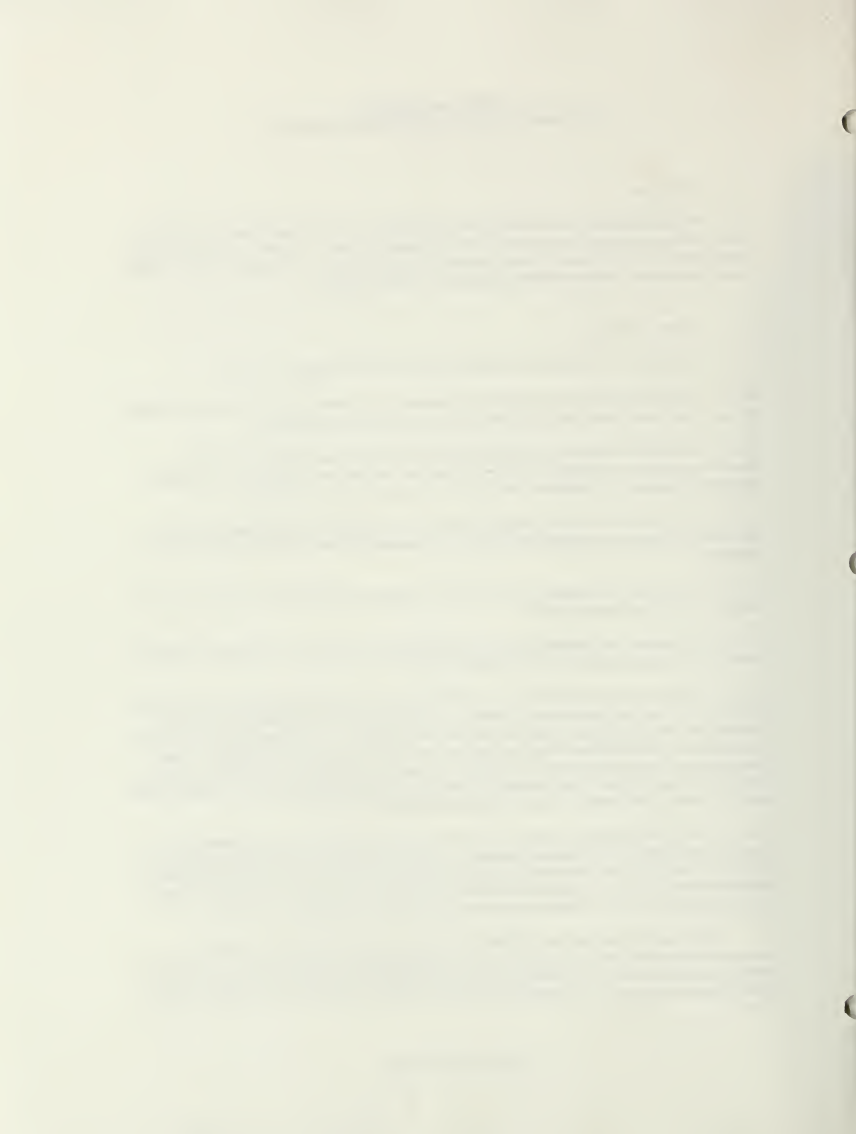
2.2.5. The Caretaker will normally provide the Navy Caretaker Site Office with a minimum of 1 week notification of scheduled service outages.

2.2.6. The Caretaker shall request and receive advance approval, from the Navy Caretaker Site Office, for any planned repairs estimated to be in excess of \$5,000.

2.2.7. "Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basis for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretakers plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

2.2.8. "The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include, a methodology for tracking and documenting reductions in work load and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity.

The Caretaker shall develop a Technical Execution Plan addressing all issues related to operations, maintenance and service delivery, the work ordering process, and emergency response process, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998



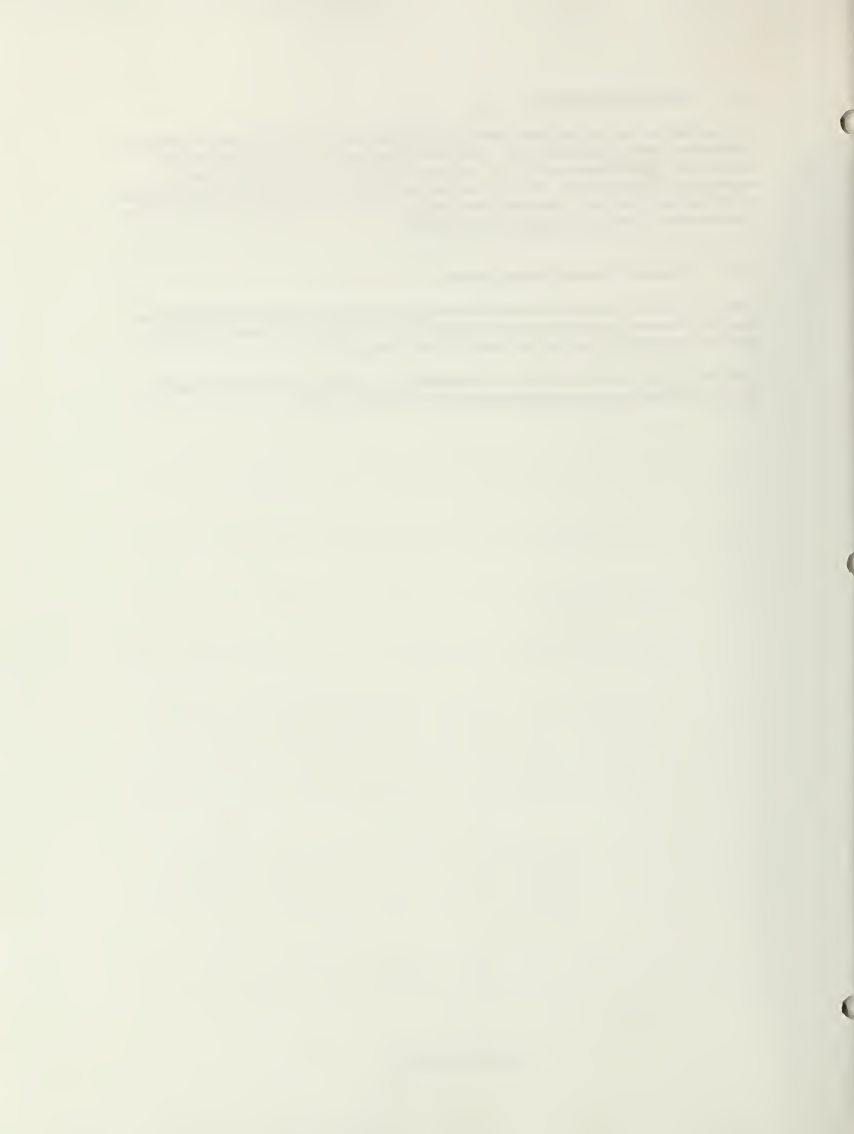
2.3. Plan for Future Conveyance

The Caretaker and the Navy shall jointly develop an executable plan to convey the telephone cable system from the Navy directly to the future owner. The plan shall target conveyance of the telephone cable system no later than September 1999. This "Telephone Cable System Conveyance Plan" shall be developed by 31 December 1998. The Navy shall also request that the City of San Francisco participate in the development of this plan. The plan shall be of sufficient detail, and have interim milestones, to allow the Navy and the Caretaker to effectively monitor progress.

2.4. Government-Furnished Property/Equipment

Technical Exhibit 8-1 is a list of government-furnished property and/or equipment (GFP/GFE) that the Navy will provide to the Caretaker for performing this function. The Technical Exhibit will become a part of the Technical Execution Plan for Personal Property Management.

The Caretaker shall manage and update changes to GFP/GFE Technical Exhibits, and submit updated copies, as modifications to the Personal Property TEP, to the Navy for review.



FUNCTION ANNEX 3 GROUNDS MAINTENANCE SERVICES

3.1. Description

3.1.1. Grounds maintenance services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to provide caretaker level maintenance and repair to improved grounds. The grounds maintenance function includes grass cutting, irrigation, weed control, tree trimming and removal, litter control, perimeter fence repairs, roadways, and culvert cleaning.

3.1.2. Grounds maintenance services include coverage of the entire closed NS. Grounds maintenance services shall not be provided for areas under control of the USCG, DOL, and leased or licensed property under this agreement.

3.1.3. Grounds maintenance services begin under this agreement on 1 October 1998.

3.2. Concept of Operations

The Caretaker shall perform grounds maintenance work on the entire closed base in accordance with City standards in two levels:

Level A is the standard level of maintenance used for areas with public access and active interim reuse in the local area.

Level B is the level of maintenance used in areas of little to no public access with no interim reuse in the local area.

3.2.2. The Caretaker shall provide a Facility Manager who shall manage all functions related to Grounds Maintenance.

3.2.3. The Caretaker shall provide Facility Inspectors who shall execute the facility inspection program in conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

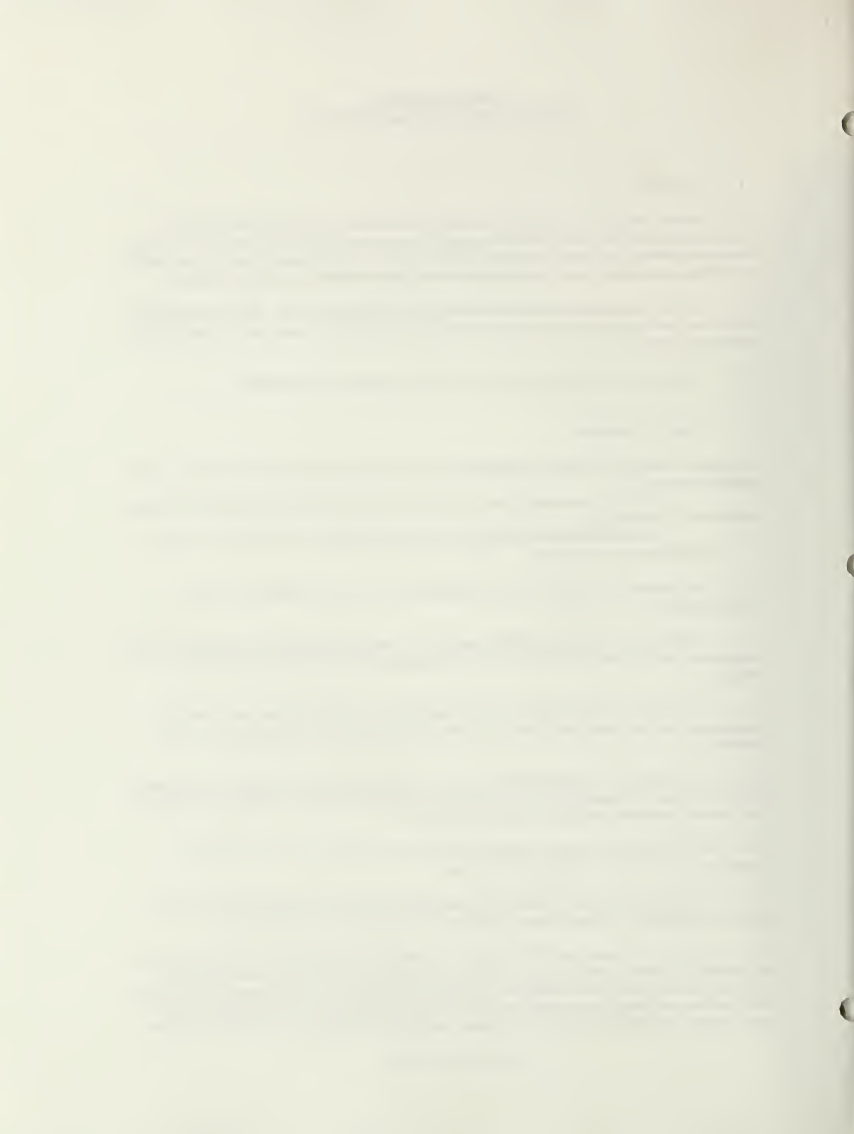
3.2.4. The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for grounds which serves those areas of the closed NS that have limited or no reuse potential.

3.2.5. The Caretaker shall request and obtain advance approval from the Navy Caretaker Site Office for any planned repairs estimated to be in excess of \$5,000. If an emergency repair is required, the Caretaker may proceed to secure the emergency without prior approval.

3.2.6. The Caretaker shall provide all supplies and equipment necessary to perform the grounds maintenance service, except as indicated in 3.4 below.

3.2.7. The Caretaker execution workforce shall occupy and use the City Department of Public Works spaces in Public Works Department spaces in Building 335 as a local shop and storage space.

3.2.8. Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basis for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretakers plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker



Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

3.2.9. The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include a methodology for tracking and documenting reductions in workload and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity.

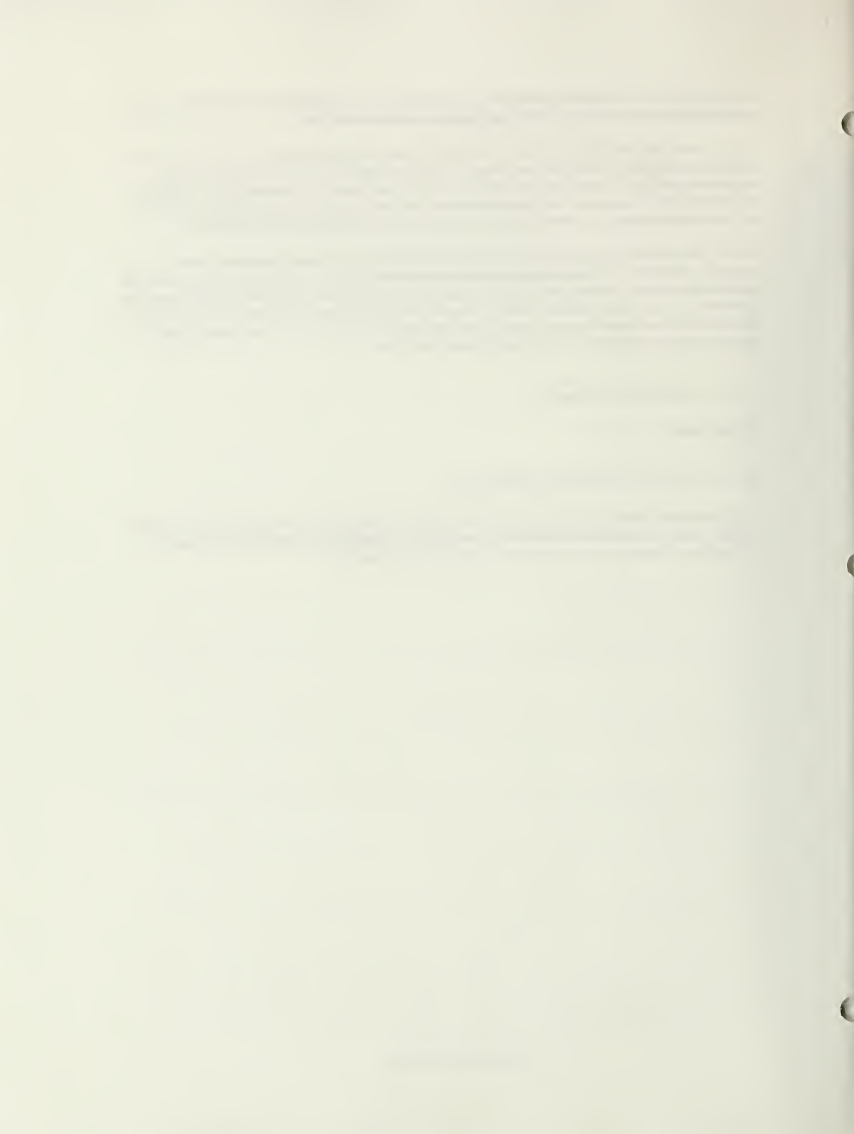
3.2.10. The Caretaker shall develop a detailed Technical Execution Plan addressing the grounds inspection process, the work ordering process, the quality control process, and the safety plan for grounds maintenance services, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The plan shall include a section on pest management and a list of pesticides and herbicides used in weed and pest control on the closed NS. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998.

3.3. Plan for Future Conveyance

(not applicable)

3.4. Government-Furnished Property/Equipment

3.4.1. Technical Exhibit 5-1 is a list of government furnished property (GFP) that the Navy shall provide to the caretaker for performing this function. This technical exhibit shall be maintained and updated by the Caretaker as modifications to the Personal Property Management TEP.



**FUNCTION ANNEX 4
BUILDING AND ROADS MAINTENANCE SERVICES**

FUNCTION ANNEX 4, PART 1: BUILDING MAINTENANCE

4.1. Description

4.1.1. Building Maintenance Services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to provide caretaker level maintenance and repair to Navy owned buildings and structures which are vacant and laid-away pending reuse. The number of facilities covered by this agreement shall decrease as buildings and land parcels are leased to the City of San Francisco for reuse. All building systems are covered by this annex, including structural systems, electrical systems, mechanical systems, roofing systems, fire suppression/alarm systems, and installed related equipment, such as elevators and hoists. Pest control within buildings is also included in this annex. The level of maintenance effort for any particular building is in accordance with Navy policy on facilities in layaway status (provided separately from this agreement) and the designated "caretaker level" assigned by the Navy CSO in coordination with the City of San Francisco related to reuse potential. In general, maintenance work shall be performed to a level that limits deterioration by providing a weather-tight facility secure from entry. "Improvements" to buildings in a layaway status are not allowable under this agreement.

4.1.2. This function applies to the areas on the "Closed Naval Station Treasure Island".

4.1.3. The Caretaker shall use a portion of Building 1 and Building 225 at the closed NS for performance of Building Maintenance Services function.

4.1.4. Building maintenance services begin under this agreement on 1 October 1998.

4.2. Concept of Operations

4.2.1. The Caretaker shall perform building maintenance work on the structures located on the closed NS Treasure Island, in accordance Navy building caretaker standards, and special requirements for "Historical" buildings (provided separately from this agreement).

4.2.2. The Caretaker shall provide a Facility Manager, who shall manage all functions related to Building Maintenance Services and Roads/Grounds Maintenance covered in Annex 5.

4.2.3. The Caretaker shall provide Facility Inspectors who will execute the facility inspection program in-conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

4.2.4. The Caretaker shall perform the majority of the work effort of this function using in-house City of San Francisco Public Works Department personnel and supervision, including both field and technical engineering support. Some specialty function support may be obtained via contract by the Caretaker.

4.2.5. The Caretaker shall provide 24 hour, on-call, emergency response and repair capability to secure situations that threaten the property, such as broken water pipes, secondary electrical failures, significant roof leaks, etc.

4.2.6. The Caretaker shall inspect buildings according to established schedules to identify required building maintenance work. The Caretaker shall order required work for accomplishment by in-house personnel or contract. The Caretaker shall request and obtain advance approval from the Navy CSO for

any planned repairs estimated to be in excess of \$5,000.

4.2.7. The Caretaker shall also maintain active buildings under this agreement used by the Navy and City of San Francisco Caretaker staffs including those used by the CSO, CA Manager, Facility Manager, Fire Department, Security and Public Works. The maintenance work for these buildings includes emergency/service calls and boiler maintenance.

4.2.8. The Caretaker shall provide all supplies and equipment necessary to perform the building maintenance service, except as indicated in 4.A.4. below.

4.2.9. Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basic for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretakers plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

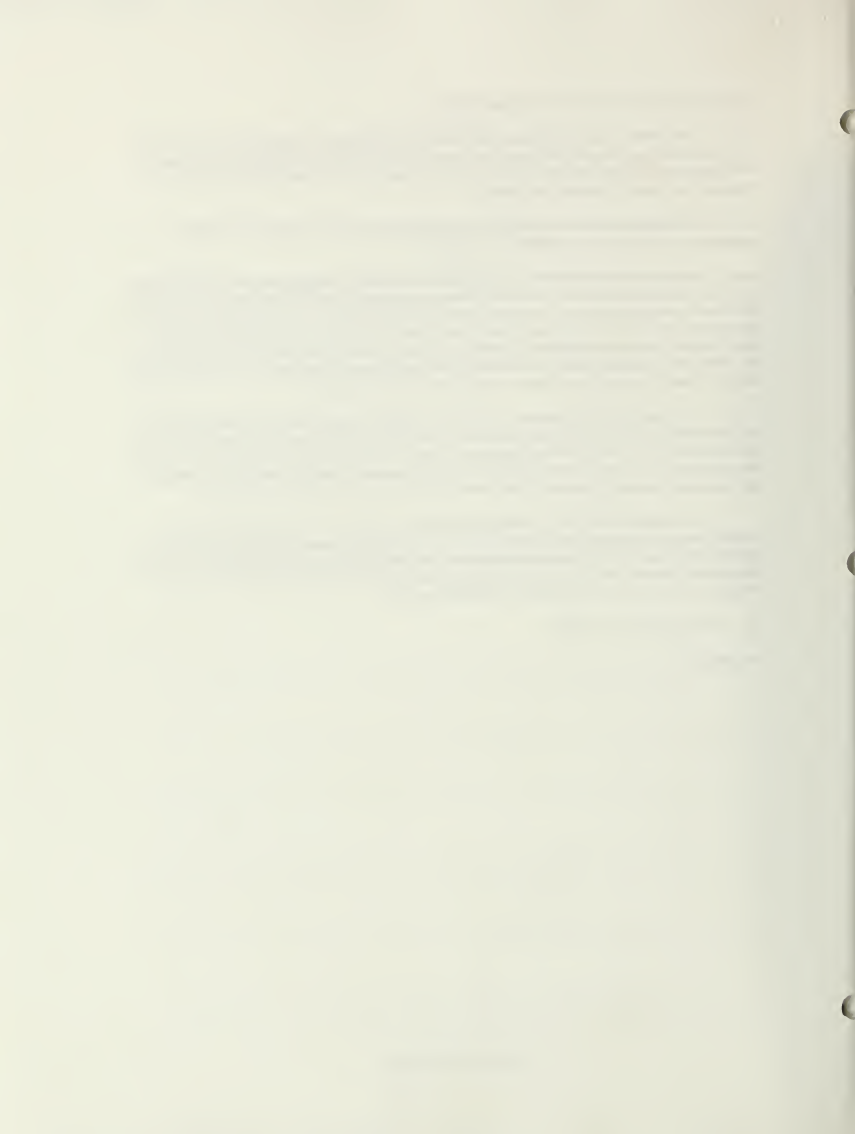
4.2.10. "The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include, a methodology for tracking and documenting reductions in work load and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity.

The Caretaker shall develop a detailed Technical Execution Plan addressing the emergency response process, the building inspection process, the work ordering process, the quality control process, and the safety plan for building maintenance services, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998.

4.3. Plan for Future Conveyance

(not applicable)

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FUNCTION ANNEX 4, PART 4.A.: ROADS MAINTENANCE

4.A.1. Description

4.A.1.1. Roads services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to provide caretaker level maintenance and repair to paved roadways. The roads maintenance function includes asphalt repair, concrete repair, street striping, street sweeping, roadway above ground culvert cleaning, traffic signage repair, and sidewalk repairs.

4.A.1.2. Roads maintenance services include coverage of the entire closed NS. Roads maintenance services shall not be provided for areas under control of the USCG, DOL, and leased or licensed property under this agreement.

4.A.1.3. Roads maintenance services begin under this agreement on 1 October 1998.

4.A.2. Concept of Operation

4.A.2.1. The Caretaker shall perform roads maintenance work on the entire closed base in accordance with City standards in two levels:

Level A is the standard level of maintenance used for areas with public access and active interim reuse in the local area.

Level B is the level of maintenance used in areas of little to no public access with no interim reuse in the local area.

4.A.2.2. The Caretaker shall provide a Facility Manager who shall manage all functions related to Roads Maintenance and Building Maintenance.

4.A.2.3. The Caretaker shall provide Facility Inspectors who shall execute the facility inspection program in conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

4.A.2.4. The Caretaker shall work cooperatively with the Navy CSO staff in the execution of work associated with this function.

4.A.2.5. The Caretaker shall perform the majority of the work effort of this function using contracted support through the City Public Works Department.

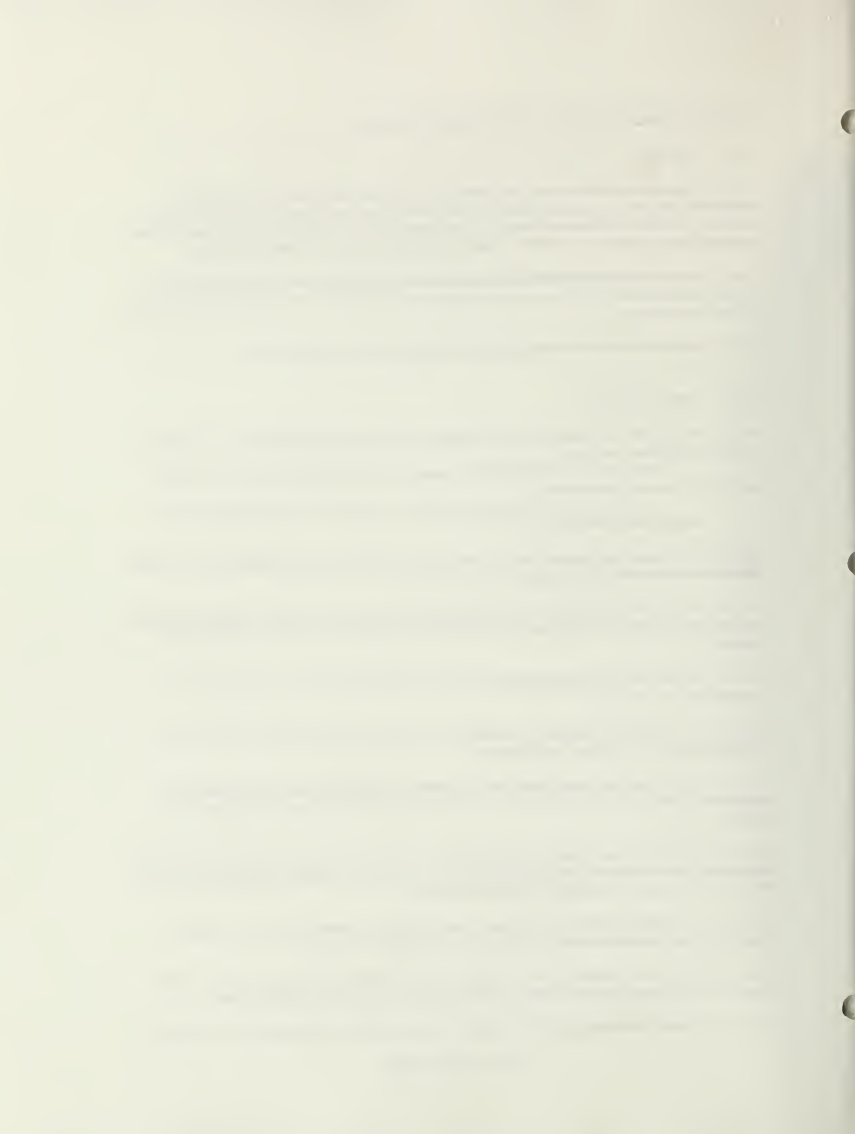
4.A.2.6. The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for roads which serves those areas of the closed NS that have limited or no reuse potential.

4.A.2.7. The Caretaker shall request and obtain advance approval from the Navy Caretaker Site Office for any planned repairs estimated to be in excess of \$5,000. If an emergency repair is required, the Caretaker may proceed to secure the emergency without prior approval.

4.A.2.8. The Caretaker shall provide all supplies and equipment necessary to perform the building maintenance and roads maintenance service, except as indicated in 5.4 below.

4.A.2.9. The Caretaker execution workforce shall occupy and use the City Department of Public Works spaces in Public Works Department spaces in Building 225 as a local shop and storage space.

4.A.2.10. Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basis



for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretakers plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

4.A.2.11. The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include, a methodology for tracking and documenting reductions in work load and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity..

The Caretaker shall develop a detailed Technical Execution Plan addressing the road inspection process, the work ordering process, the quality control process, and the safety plan for road maintenance services, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998.

4.A.3. Plan for Future Conveyance

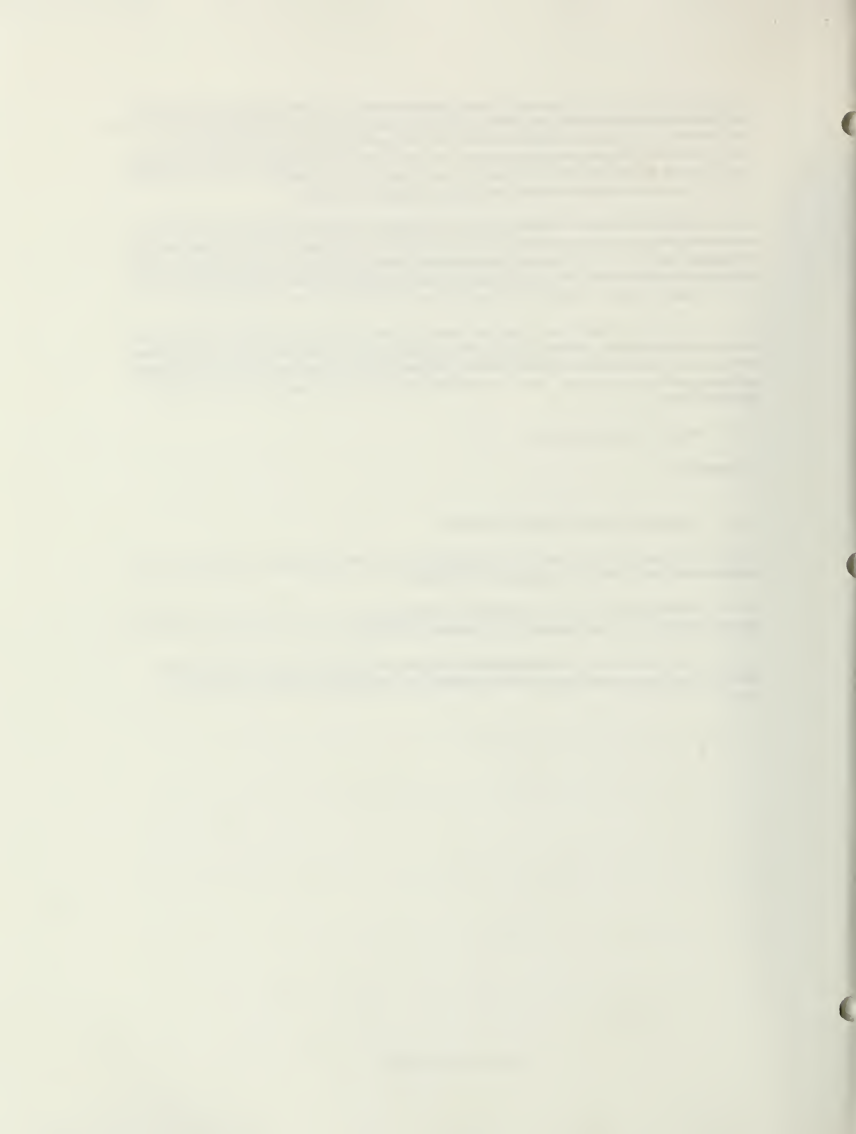
(not applicable)

4.A.4. Government-Furnished Property/Equipment

4.A.4.1. Technical Exhibit 4-1 and 4-2 is a list of government-furnished property (GFP) that the Navy shall provide to the caretaker for performing this function.

4.A.4.2. Technical Exhibit 4-3 is a list of government-furnished property and equipment (GFP/GFE) that the Navy shall provide to the Caretaker for performing this function.

4.A.4.3. The Caretaker shall manage and update changes to the GFP/GFE Technical Exhibits and submit updated copies, as modifications to the Personal Property Management TEP to the Navy for review.



FUNCTION ANNEX 5
PERSONAL PROPERTY MANAGEMENT AND COOPERATIVE AGREEMENT SERVICES

5.1. Description

5.1.1. The Personal Property Management Service for the closed NS Treasure Island includes the management and work execution resources necessary to maintain accountability for government owned personal property remaining at the closed base. The personal property is grouped into several broad categories, including property staged for reuse, property issued for reuse, property issued to the Caretaker to support the cooperative agreement, and property retained by the Navy to support CSO operations.

5.1.2. This personal property is stored in various locations throughout the closed NS. Items with a value of greater than \$5,000 are inventoried and listed individually in a personal property database developed by the Navy. Items of less than \$5,000 are in bulk inventory and listed by bulk line item in the database.

5.2. Concept of Operations

5.2.1. The Caretaker will provide a Personal Property Manager who will manage all functions related to the control and accountability of all remaining government owned personal property, including storage, security, inventory, issue/receipt, and data base maintenance.

5.2.2. The Caretaker will work cooperatively with the Navy CSO staff in the execution of work associated with this function. The CSO will contribute approximately one work year of effort in the execution of this function.

5.2.3. "Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basis for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretakers plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

5.2.4. "The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include, a methodology for tracking and documenting reductions in work load and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity.

The Caretaker shall develop a detailed Technical Execution Plan addressing the control and accountability of personal property, storage, security, inventory, issue/receipt, and data base management processes, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 1 September 1998.

5.3. Plan for Future Conveyance

5.3.1. The Caretaker and the Navy shall jointly develop an executable plan to convey all remaining government owned personal property from the Navy directly to the future owner. This Plan shall target conveyance by no later than September 1999. This "Personal Property Conveyance Plan" shall be developed by 31 December 1998. The Navy shall also request that City of San Francisco participate in the development of this plan. The plan shall be of sufficient detail, and have interim milestones, to allow the

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 311

LECTURE 1

MECHANICS

1.1 Kinematics

1.2 Dynamics

1.3 Energy

1.4 Momentum

1.5 Angular Momentum

1.6 Relativity

Navy and the Caretaker to effectively monitor progress.

5.4 Government Furnished Property/Equipment

5.4.1. (not applicable)

FUNCTION ANNEX PART 5.A. COOPERATIVE AGREEMENT MANAGEMENT

5.A.1. Description

5.A.1.1. The Cooperative Agreement Management function has six primary purposes:

- a. provide dedicated, over-arching execution management of the entire agreement, coordinating execution among Police, Fire, Public Works, City support staff, and City contractors (including utility companies) providing support to this agreement.
- b. coordinate directly as one component of a three-part management team with both the local Navy Engineering Field Activity West (EFA West) representatives and City of San Francisco staff.
- c. provide resources for City general and administrative (G&A) costs incurred by the City in support of this agreement, including senior City management support, personnel administration, legal counsel, information systems support, contracting support, and financial management support.
- d. provide dedicated information system capability to construct and maintain a bridge from Navy controlled information to City controlled information.
- e. provide dedicated financial management capability to ensure all Caretaker costs that are allowable and allocable to this agreement are captured.
- f. provide dedicated management of plan and blueprint inventory, distribution, and copying of repository located in room 14A of Building 1.

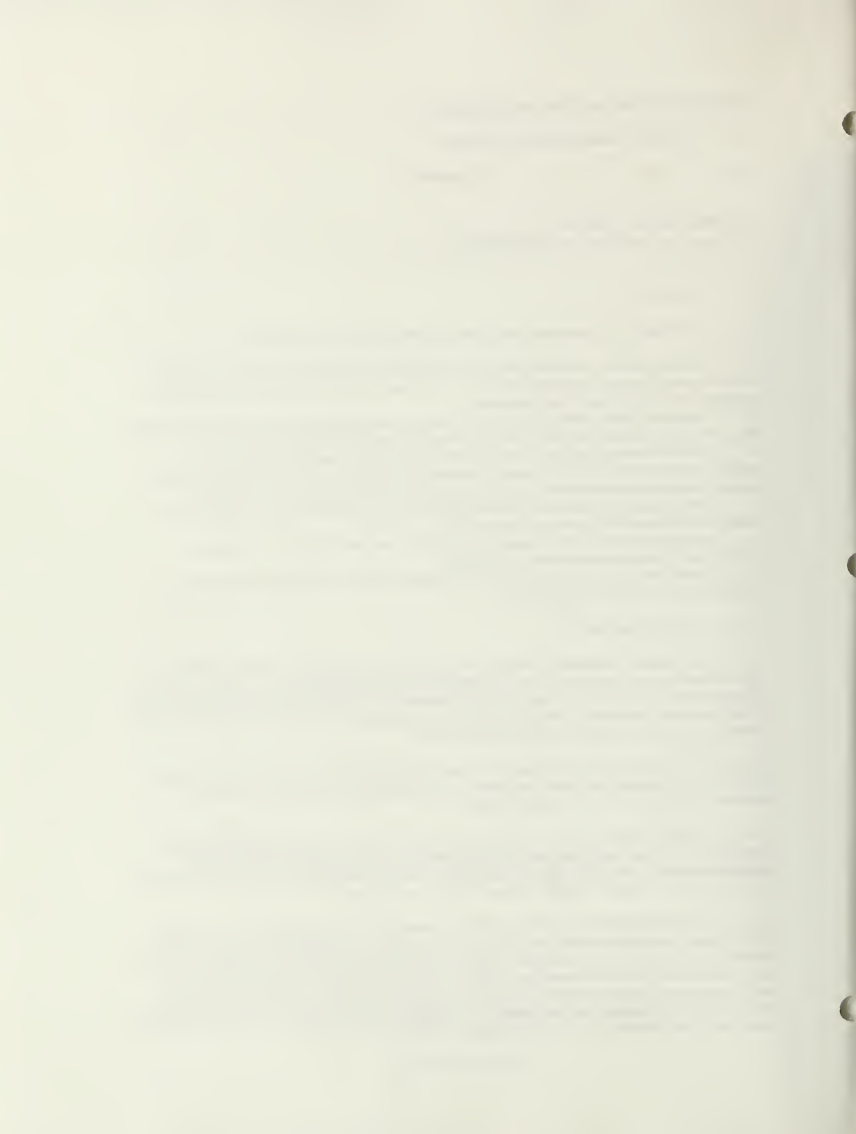
5.A.2. Concept of Operations

5.A.2.1. The Caretaker shall provide a Cooperative Agreement (CA) Manager to lead and manage the City's efforts under this agreement. This CA manager shall coordinate directly with the Director of City of San Francisco Treasure Island Project Staff, the Director of Public Works, the Chief of Police, the Chief of Fire Department, and other City staff members. The CA Manager shall be the City's primary point of contact to the Navy on all matters related to this agreement.

5.A.2.2. The CA Manager shall participate in the development of the full range of function management plans. The CA Manager shall ensure the function management plans are carefully developed and submitted for Navy approval by the dates required.

5.A.2.3. The CA Manager shall have a Information Systems Assistant who shall collect and maintain important data, records, maps, and drawings related to the closed base. This position shall act as a database manager for centralized statistical information. The position shall provide system administration and security for all Caretaker computer systems related to this agreement.

5.A.2.4. Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basis for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretakers plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.



5.A.2.5. The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include, a methodology for tracking and documenting reductions in work load and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity.

5.A.2.6. The Caretaker shall develop a detailed Technical Execution Plan addressing all issues related to information systems management operations, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998.

5.A.2.7. The CA Manager shall have a full-time Financial Management Assistant who shall establish and maintain an accounting system that shall capture all Caretaker costs related to this agreement and satisfy audit requirements. This position shall administer the process of requesting and receiving reimbursement from the Navy for executing this agreement. This position shall also provide administrative support to the CA Manager.

5.A.2.8. Technical Execution Plan (TEP). The TEP is a required pre-award submission, and is the basis for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretakers plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and scheduled completion dates and work execution plans. The OIC, Caretaker Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

5.A.2.9. The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include, a methodology for tracking and documenting reductions in work load and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity.

The Caretaker shall develop a detailed Technical Execution Plan addressing all issues related to financial accounting and auditing operations, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998.

5.A.2.10. The CA Manager and staff shall work cooperatively with the Navy and City of San Francisco staff to develop integrated management processes to ensure effective and efficient use of resources.

5.A.2.11. The CA Management staff shall collocate with the Navy CSO in Building 1 on the closed NS.

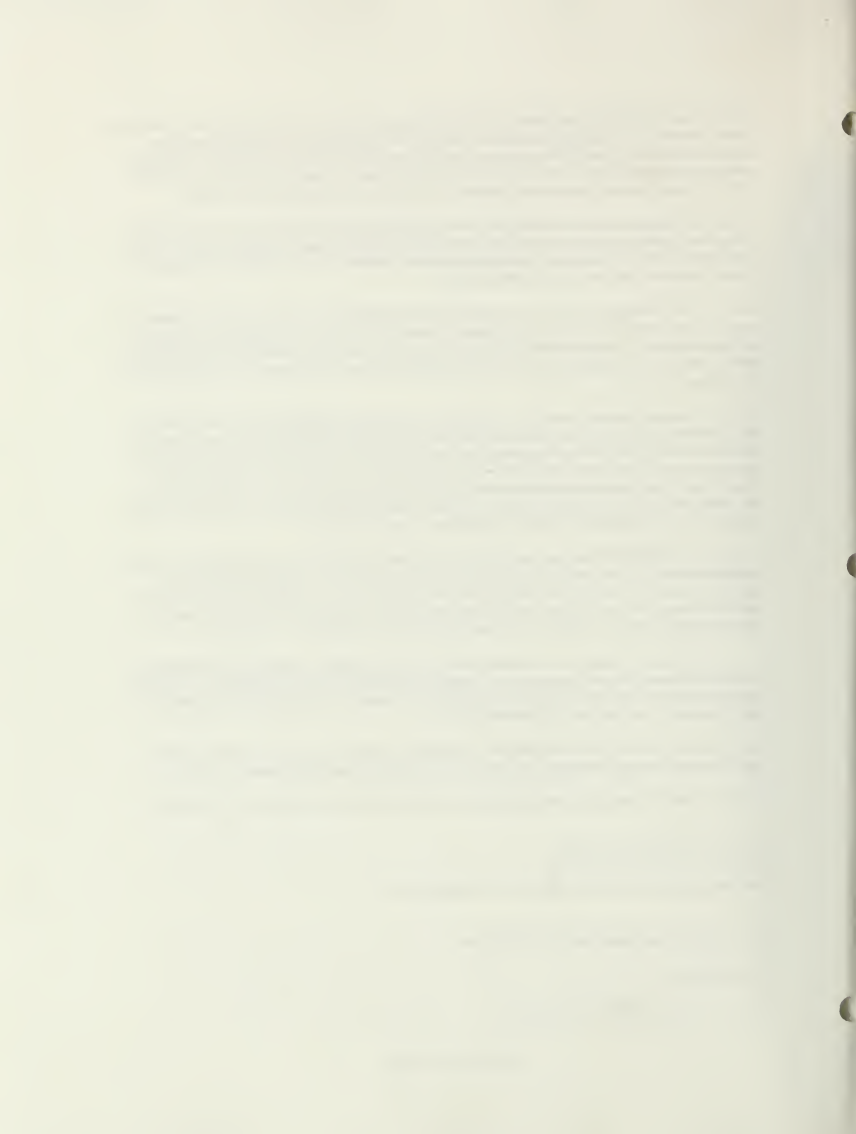
5.A.3. Plan for Future Conveyance

This function shall end with the completion of this agreement.

5.A.4. Government Furnished Property/Equipment

(not applicable)

5.A.5. Invoice Verification Procedures

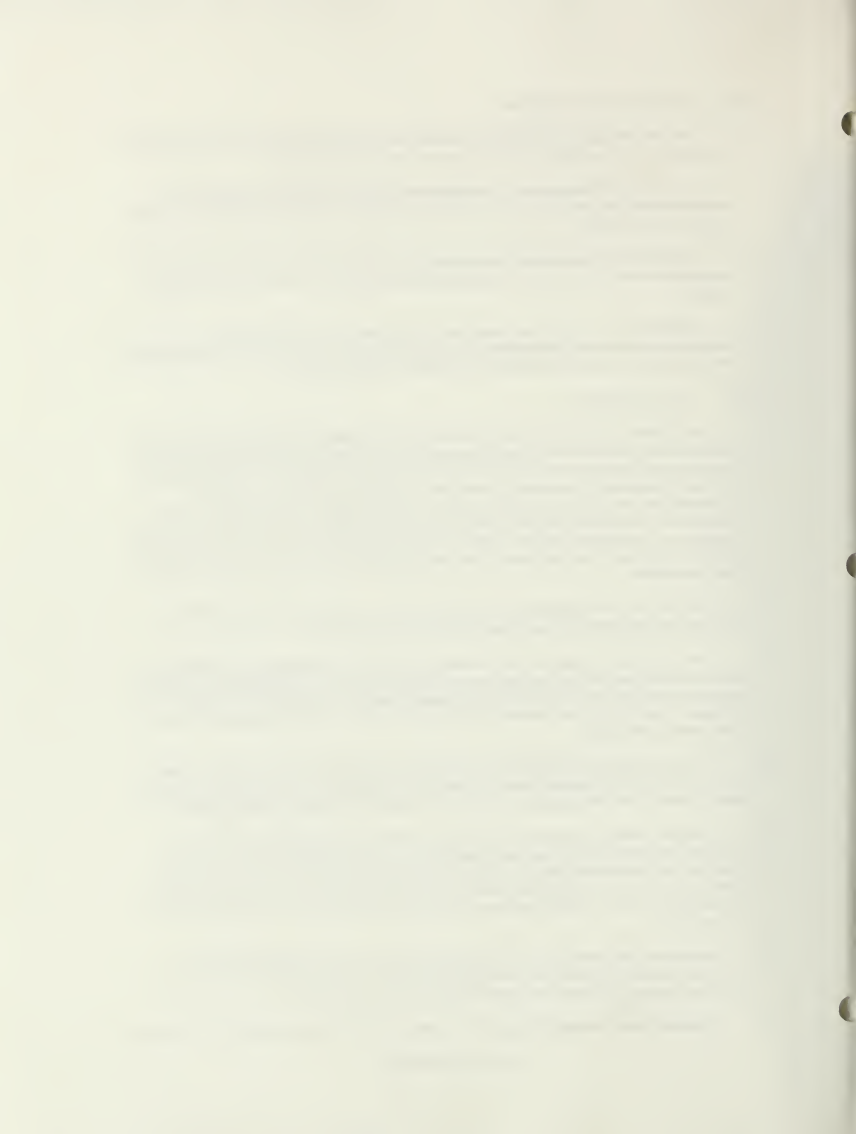


5.A.5.1 Quality Assurance Inspections

- A. The Caretaker shall provide a copy of the Caretaker work order listing for all work ordered under the Cooperative Agreement to the CSO OIC on the 1st and 15th of each month.
- B. The CSO OIC or his designated representative will annotate which projects scheduled for completion during the current month he would like to inspect, and return the listing to the Caretaker within two days of receipt.
- C. The Caretaker or his designated representative will notify the CSO OIC 24 hours in advance of when the annotated jobs are ready for inspection and set a time, date, and meeting location for this inspection.
- D. The CSO OIC or his designated representative shall conduct the required inspection documenting findings using an Inspection Form, and file this form in the monthly invoice verification file for the current month located in the CSO Cooperative Agreement files.

5.A.5.2. Invoice Verification

- A. The Caretaker shall provide copies of both the Monthly Expenditure Summary Report (A report prepared by the Caretaker which provides a summary of the current FY budget, direct and indirect costs expended during the month, total monthly costs, cumulative annual costs, FY balance, percent of budget expended and previous month cumulative costs for each budget line item of this Agreement) and the detailed Cooperative Agreement Monthly Reports (A report prepared by the Caretaker which summarizes by Work Order No., function charged to (or type work accomplished), employee no., date charged, and labor, material, equipment, and contract costs and total costs) to the CSO OIC as soon after their publication as possible (generally the second week of month following the report period).
- B. The CSO OIC or his designated representative will review these reports, applicable Work Request Authorizations and all inspection reports for the invoice period.
- C. If no questioned or disallowed costs are noted, the CSO OIC or his designated representative shall advise the Caretaker to forward the invoice (Standard Form 1034 and Standard Form 1035A) to the Grants Administrator at EFA West for processing for payment. The CSO OIC shall also complete a copy of the Invoice Verification Memorandum and forward this memorandum to the EFA West Grants Administrator.
- D. For any questioned or disallowed costs, the CSO OIC will schedule a meeting with Caretaker to review and reconcile the disputed costs. The meeting will be scheduled to occur within five working days of receipt of expenditure summary and detailed Cooperative Agreement Monthly Reports.
- E. During the meeting outlined above, the CSO OIC and/or his designated representative and Caretaker will reconcile all problem areas found by the CSO OIC during the reports review. The Caretaker will take informal meeting minutes indicating agreed upon changes and disputes and provide a copy to the CSO OIC. The Caretaker will make any agreed upon corrections and resubmit a corrected copy of the monthly expenditure summary to the CSO OIC within two working days of the meeting.
- F. Immediately upon resubmission of the corrected copy of the monthly expenditure report the Caretaker shall submit by letter, an invoice (Standard Form 1034 and Standard Form 1035A) to the EFA West Grants Administrator for payment, with a copy to the CSO OIC.
- G. Immediately upon receipt of the copy of the invoice, the CSO OIC shall verify that all corrections



agreed upon during the paragraph 5.A.5.2.D. meeting have been incorporated into the invoice, complete a copy of the Invoice verification Memorandum and forward this memorandum to the EFA West Grants Administrator.

- H. Where Agreement cannot be reached between the parties with regards to the contents of the invoice, the disagreement will be noted and dispute remedied as stipulated under Article X of the Cooperative Agreement.

Copies of all documentation referenced above shall be filed in the CSO monthly invoice verification file for the invoice month.



FUNCTION ANNEX 6 UTILITIES SERVICES

6.1. Description

6.1.1. The Utilities Services function provides electric, natural gas, sanitary sewer, sewage treatment and storm sewer operation and maintenance services to the closed NS. A detailed breakdown of components of these systems are provided below.

6.1.2. The Caretaker may use Building 264 and storage lot 292 at Treasure Island for performance of the Utilities Services function.

6.2. Concept of Operations

6.2.1. **General:** The Caretaker will operate and maintain utility systems at Treasure Island and Yerba Buena Island, as described in paragraph 6.3, below, including electric, natural gas, water, sanitary sewer, storm sewer and sewage treatment systems. The Caretaker will defray associated costs through revenue generated by charging Navy authorized rates to all users of utilities services. All storage and handling of materials and equipment necessary for utilities maintenance shall be done in accordance with the Treasure Island Storm Water Pollution Prevention Plan.

6.2.2. **Utilities Purchase:** The Caretaker will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base.

6.2.3. Recovering Funds for Consumption by the Navy

Units of consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker. Estimated Navy uses are itemized by figure 6.1 below. Total annual charges will not exceed \$504,980.40 and can be billed monthly by the Caretaker at the rate of \$42,081.70 per month.

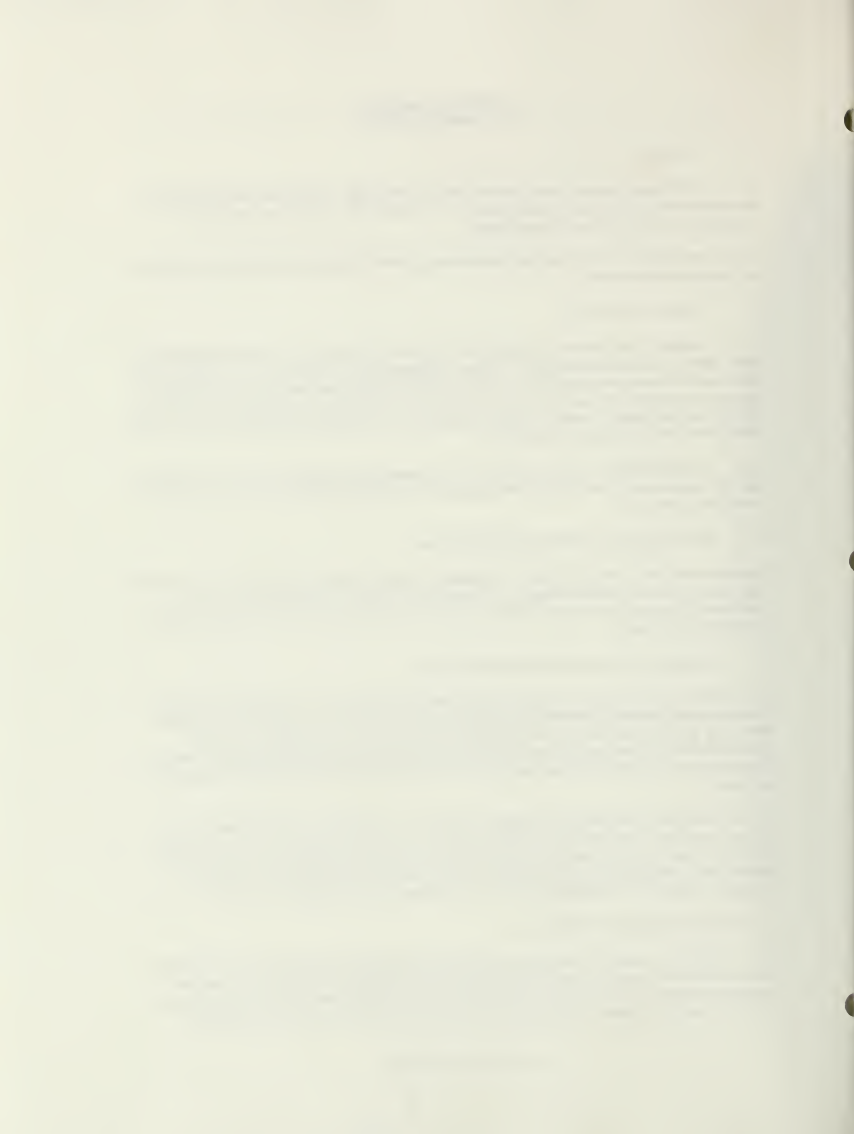
6.2.4. System Extension and Provision of New Service

6.2.4.1. **New Services Requested by the Navy and other Federal Users:** The Caretaker will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as approved by the Navy for other Federal users on the base. Costs for such work will be recovered by the Caretaker directly from any Non-Navy Federal user and will not be charged to the Navy. Costs incurred for any such work requested by and executed for the Navy will be reimbursed under this agreement.

6.2.4.2. **New Services Required by Lessees or Licensees:** The Caretaker may also provide system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease from the Navy during the term of this agreement. Costs for any such work will be recovered by the Caretaker directly from the benefiting Lessee or Licensee and will not be charged to the Navy.

6.3. Technical Execution Plan (TEP).

6.3.1. The TEP is a required pre-award submission, and is the basis for all phase-in, turnover operations and Caretaker work execution. The TEP is the Caretaker's plan of operation for complying with the Cooperative Agreement requirements. The TEP submitted to the CSO by the Caretaker must identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog and



scheduled completion dates and work execution plans. The OIC, Caretaker Site Office will use this plan when developing the Navy quality assurance program. The Caretaker should advise the Grants Administrator if there are significant changes to this plan.

6.3.2. The CARETAKER will submit a TEP to the Caretaker for approval for each functional work area where called out for in the technical provisions. This TEP will become part of this agreement when approved by the CSO. The TEP for each functional work area shall include, a methodology for tracking and documenting reductions in workload and allowable cooperative agreement expenditures associated with the leasing/licensing, or transfer of properties to the City of San Francisco or other entity. The methodology tracking and documenting reductions in utility maintenance and commodity costs associated with transfers of specific zones may be predicated upon an equitable allocation plan predicated upon square feet of building space included within the zone or some other equitable breakdown.

6.3.3. The Caretaker shall develop a detailed Technical Execution Plan addressing the specific utilities procedures utilized by the Caretaker for execution of work under this agreement, including accounting methods to properly allocate costs for work allowed under this agreement, and to properly prepare vouchers. The Caretaker shall submit the plan for approval to the Navy by 15 September 1998.

6.4 Systems Definitions, Extent of Caretaker Responsibility

6.4.1 **Water System:** Facilities to be operated and maintained by the Caretaker under this agreement consist of the existing water delivery facilities at Treasure Island and Yerba Buena Island (TI/YBI) including:

- * Supply and delivery pipelines, initiating at the supply points for TI/YBI from the City of San Francisco to the west and the East Bay Municipal Utility District (EBMUD) to the east.
- * Water storage and chlorination facilities.
- * Water pumping stations on TI/YBI.
- * The water pumping station on the east side of the Bay Bridge specifically dedicated to the supply pipeline to TI/YBI.
- * All supply lines that cross through or under any leased or non-leased building or facility that do not serve that building or facility.
- * For metered buildings and facilities: Caretaker responsibility ends at the first valve or meter upstream of the building or facility.
- * For buildings and Facilities which are not metered: Caretaker responsibility will include all supply lines and water system facilities up to five (5) feet of any building or facility.

6.4.2. **Sanitary Sewer System:** Facilities to be operated and maintained by the Caretaker consist of the existing sanitary sewer collection and treatment facilities at TI/YBI, including:

- * Waste water treatment plant, including all facilities within the perimeter fence of the plant and including the outfall.
- * Waste water pumping stations
- * Mainline sewers

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- * Forced mains
- * Collection and service sewers to the limit of leaseholding for leased facilities.
- * For buildings and facilities which are not leased or otherwise occupied, or which are in use by the Navy or Navy Customers; Collection and service sewers to either [a] the last cleanout upstream of the mainline sewer along the service to the building or facility, or [b] to a point five (5) feet from the foundation of the building or facility.

6.4.3. **Storm Water System:** Facilities to be operated, maintained, and cleaned by the Caretaker consist of the existing storm water collection and discharge facilities at TI/YBI, including:

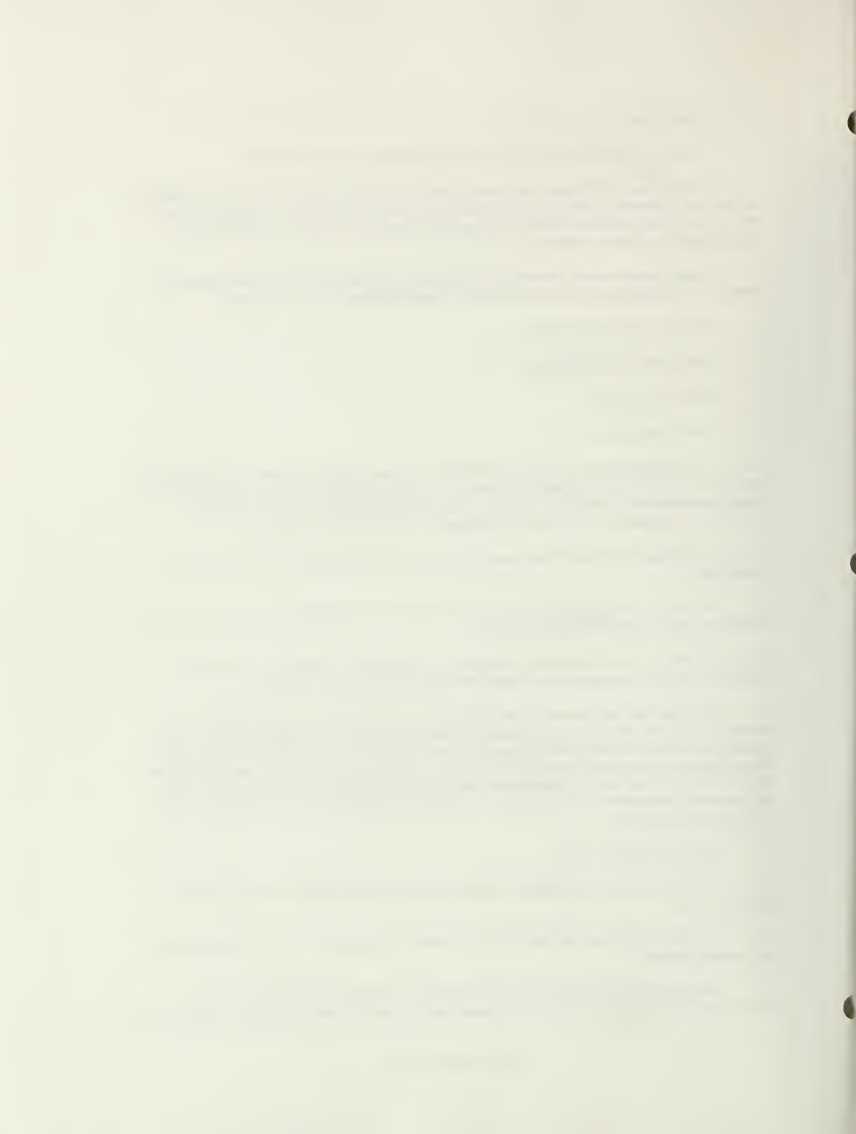
- * Storm water collections system
- * Storm water pumping stations
- * Storm water outfalls
- * Storm Drain System

6.4.4. **Natural Gas System:** Natural gas is delivered to TI by a supply line owned by the Pacific Gas and Electric Co. (PG&E). PG&E also owns and operates the main meters and pressure reducing stations at the point of delivery of the island. Under this agreement the Caretaker will be responsible for operations and maintenance of all facilities downstream of PG&E facilities including:

- * Supply and delivery pipeline downstream of the main meter and pressure reduction station located on TI.
- * Supply lines to and including that last valve or corporation stop leading to all leased, non-leased, occupied or non, occupied buildings and facilities.

6.4.5. **Electrical Distribution System:** Facilities to be operated and maintained by the Caretaker consist of the existing transformation and distribution facilities at TI/YBI, including:

- * The entire high voltage transmission line serving Treasure Island, originating at the point of connection to the breakers at the Davis Substation (located at the Fleet and Industrial Supply Center in Oakland), including overhead and underground elements of the line located on the Fleet and Industrial Supply Center and the Oakland Army Base, the underground element extending from the Oakland Army Base, including the junction with the submarine section of the line and the submarine section including the junction and underground section of line at Treasure Island, to the point of connection at the main Treasure Island substation.
- * The main substation on TI.
- * The distribution system and related equipment between the main substation on TI and the end-users on TI/YBI
- * For metered buildings and facilities; The Caretaker provides operations and maintenance up to and including the meter.
- * For buildings and facilities which are not metered or which have dedicated switchgear or transformers at the building or facility, the Caretaker provides operations and maintenance to the low side



of the dedicated switchgear or transformer and shall include the dedicated switchgear or transformer.

- * For buildings and facilities which are not metered and which do not have dedicated switchgear or transformers at the building or facility, the Caretaker provides operations and maintenance to the weatherhead, building perimeter, or equipment connection.

- * The Davis Substation at the Fleet and Industrial Supply Center, Oakland, CA

6.5. Organization and Communication

6.5.1. Caretaker and Navy Representatives: The primary interface between the Caretaker and the Navy for the purpose of coordinating respective day-to-day actions and responsibilities for utilities operations will take place at regular meetings between the Caretaker's Utilities Project Manager (PM) and the designated representative of the Navy Caretaker Site Office (CSO). Meetings will be held among PM and CSO representatives to assure a mutual understanding of the overall utilities operation as well as to request and provide authority as required by this procedure for such actions as scheduled outages and excavations.

6.5.2. Outage Management

6.5.2.1. Scheduled Outages: The following procedure will be used by the Caretaker and Navy to obtain authority for any utility outage not resulting from an emergency or unplanned failure:

6.5.2.2. Caretaker Request: The Caretaker will submit a written request to the CSO for any planned system outage. As a minimum, outage requests will include the following information:

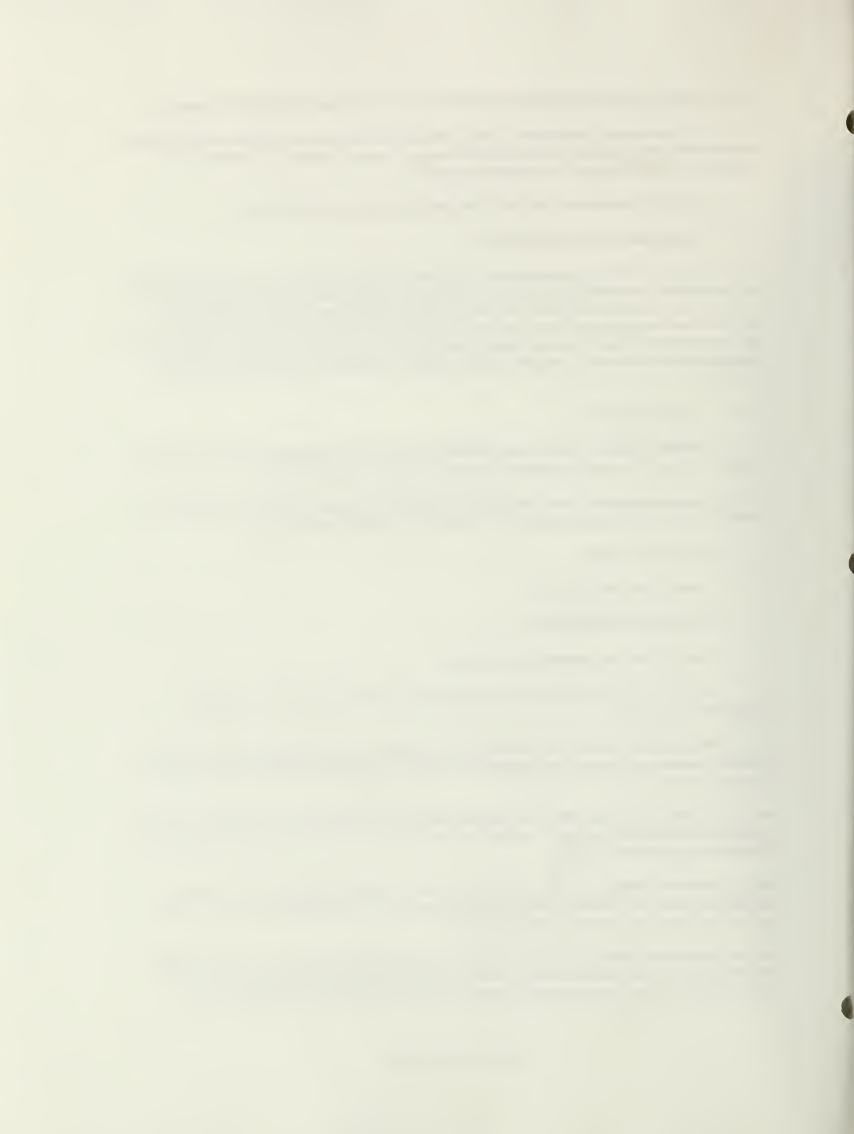
- * Purpose of the outage
- * Utilities commodities affected
- * Buildings and facilities affected
- * Proposed start and completion dates and times.
- * Verification that the proposed outage is properly coordinated with non-Navy tenants per paragraph 6.5.2.3., below.

6.5.2.3. Coordination with non-Navy Tenants: The Caretaker will coordinate any planned outage with non-Navy tenants to assure the outage can proceed as planned and scheduled without undue disruption of Tenant's operations.

6.5.2.4. Coordination by the CSO: The CSO will coordinate the outage request with Navy activities and contractors which may be operating on the base and will determine whether the outage can be approved as described on the schedule requested.

6.5.2.5. Approved Outages: In cases in which the outage is acceptable as requested, the CSO will immediately inform the Caretaker. The Caretaker will then notify all tenants and affected Navy users and will execute on the outage at the agreed upon time.

6.5.2.6. Disapproved Outages: In cases in which the outage cannot be approved, the CSO will request acceptable alternatives from those affected and will report this information in writing to the Caretaker. The Caretaker will then revise the outage request accordingly and resubmit per paragraph 6.5.2.2



6.5.2.7. Unscheduled Outages: The Caretaker will immediately report unplanned system outages to the CSO using an established list of contacts for this purpose.

6.5.3. Excavation Management

6.5.3.1. Scheduled Excavations: The following procedure will be used by the Caretaker and Navy to coordinate any excavation not resulting from an emergency or unplanned system failure:

6.5.3.2. Caretaker Request: The Caretaker will submit a written request to the CSO for the proposed excavation. As a minimum excavation requests will include the following information:

- * Purpose of the excavation
- * Streets / traffic affected
- * Buildings and facilities affected
- * Proposed start and completion dates and times
- * Verification that all utilities in the vicinity of the proposed excavation have been located and clearly marked.
- * Verification that the requested excavation is properly coordinated with non-Navy Tenants per paragraph 6.5.3.3, below.

6.5.3.3. Coordination with non-Navy Tenants: The Caretaker will coordinate any planned excavation with non-Navy tenants to assure the outage can proceed as planned and scheduled without undue disruption of Tenant's operations.

6.5.3.4. Coordination by CSO: The CSO will coordinate the excavation request with Navy activities and contractors which may be operating on the base and will determine whether the excavation can proceed as described and on the schedule requested.

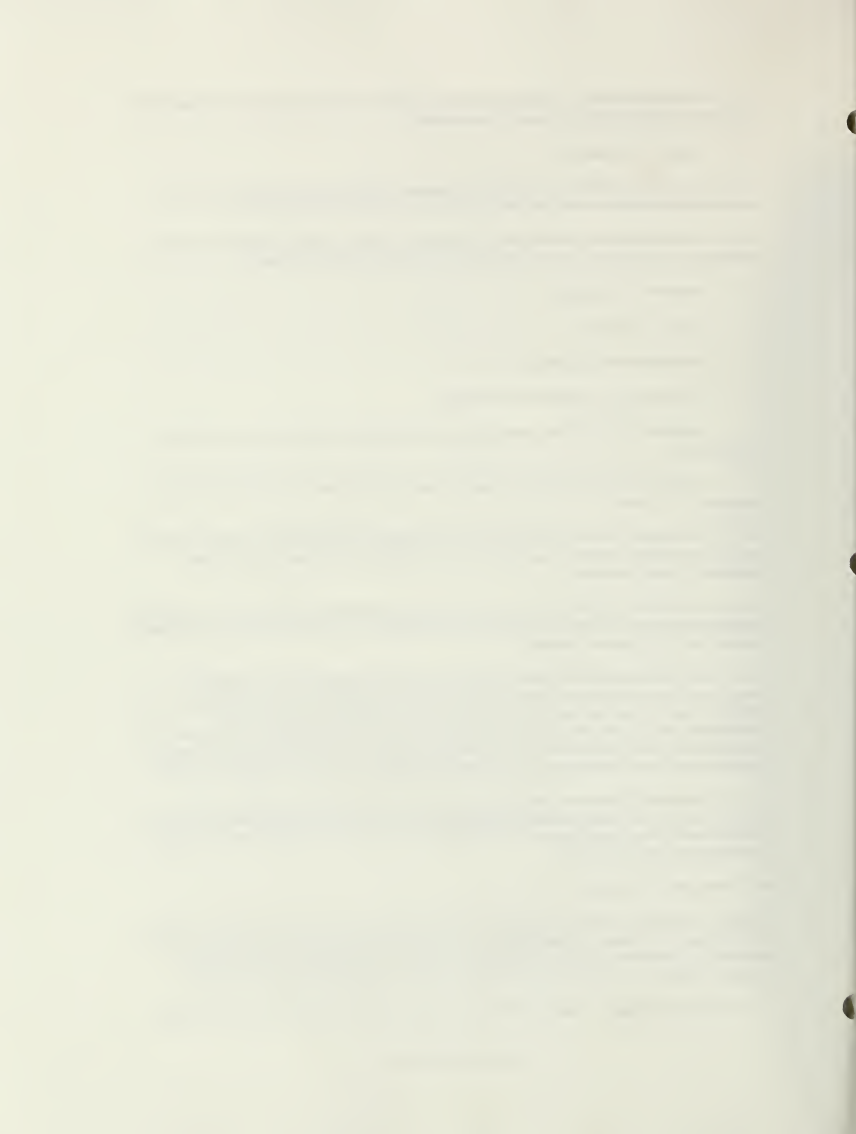
6.5.3.5. Approved Excavation Requests: In cases in which the excavation plan is acceptable as proposed the CSO will immediately inform the Caretaker of approval and will provide the Caretaker with any special requirements which may be imposed by the Navy in providing approval. Special considerations may address environmental or other factors. Upon receiving approval, the Caretaker will notify all affected Navy and non-Navy tenants and then perform the excavation and related work at the agreed upon time and in accordance with any special requirements which may be imposed by the CSO.

6.5.3.6. Disapproved Excavation Requests: In cases in which the excavation request cannot be approved, the CSO will request acceptable alternatives from affected Navy activities and will report this information in writing to the Caretaker. The Caretaker will then revise the outage request accordingly and resubmit per paragraph 6.5.3.2

6.6. Preventive Maintenance

Regularly scheduled preventive maintenance will be executed accordance with standard practices of the Caretaker and in accordance with applicable local, state and Federal regulations. No reporting is required to the Navy on preventive maintenance schedules or execution except general reporting on utilities maintenance status to the CSO as described in paragraph 6.4, Organization and Communication.

6.7. Unscheduled Repairs: In addition to preventive maintenance, the Caretaker will perform repairs



which may be determined to be necessary. Repairs will be performed in accordance with the Caretaker's standard practices and will be in compliance with all applicable local, State and Federal regulations. No reporting is required to the Navy on repair requirements or execution except general reporting on utilities maintenance status to the CSO described in paragraph 6.5 Organization and Communication or where response involves an emergency as defined in 6.9.

6.8. Trouble Call Response and Reporting

6.8.1. Origin and Reception of Trouble Calls: Trouble calls may derive from Navy or non-Navy tenants on TI or YBI who observe or are affected by a system problem or failure. Calls will be directed to the telephone number established by the Caretaker for this purpose. The Caretaker will assure a receptionist is available at this number 24 hours per day, 365 days per year. Upon receiving a call, the Caretaker will record information provided by the caller and will assure actions are taken to correct the situation described if within the sphere of responsibility of the Caretaker as defined in this agreement. If the problem described by the caller is clearly outside the responsibility of the Caretaker, the receptionist will so inform the caller. In addition, the receptionist will provide the caller with a unique number which will serve to identify the call and which will be used in making any future inquiries or reports regarding the call.

6.8.2. Caretaker Points of Contact: In addition to the telephone number of the Caretaker trouble reception desk, the CSO will maintain a "CALLBACK" list of telephone numbers for Caretaker managers responsible for utilities operations at TI/YBI. This list will include persons at each level of Caretaker management and will be used by the CSO in the circumstances listed below. Individuals on the list will be contacted in the order listed until contact is made and the requisite responsibility accepted:

- [1] Contact cannot be made with the Caretaker trouble reception desk
- [2] In cases of emergency
- [3] In cases in which responses to trouble calls do not occur within a reasonable time.

6.8.3 Caretaker Trouble Call Reporting: Upon receiving a request for trouble response, the Caretaker reception desk will issue a Trouble Call (TC) number which will serve as a key identifier for the call and will be used to track and report on response. Both the Caretaker trouble desk and CSO will maintain records of all TC#'s issued along with pertinent details on response and resolution

It is the responsibility of the Caretaker to report status of trouble calls to affected Navy and non-Navy Tenants as required

It is the responsibility of the Caretaker to report on response, key developments, and resolution of each trouble call to the CSO.

6.9. Emergency Response

6.9.1. Emergency requirements

6.9.1.1. Definition: Trouble calls from the CSO or other Navy activities to the Caretaker will be designated as EMERGENCY requirements where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property or to avoid disruption of essential operations. Situations satisfying these criteria may also be observed directly by Caretaker personnel or may be reported to the Caretaker by means other than the normal trouble reception protocol.

6.9.1.2. Stabilization: However an emergency is reported, the Caretaker will immediately apply personnel and resources at the level needed to stabilize the situation at any time, 24 hours per day, seven

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DEPARTMENT OF CHEMISTRY
5408 S. UNIVERSITY AVE.
CHICAGO, ILL. 60637

TEL: 773-936-5000

RECEIVED
JAN 10 1968
FROM: [illegible]
TO: [illegible]
SUBJECT: [illegible]

RE: [illegible]
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days per week.

6.9.1.3. Reporting: It is the responsibility to the Caretaker PM or any authorized delegate of the PM to report emergencies and steps taken to accomplish stabilization to the CSO as early as possible and as significant new information becomes available.

6.9.1.4. Follow-up Work: After the emergency is stabilized, additional work needed to finalize repairs will be scheduled and proceed in accordance with the Caretaker's normal operating procedures.

6.10. Marking Utilities Locations

The Caretaker will locate and clearly mark all electric, natural gas, water, sewer, telephone and steam utilities in any area as may be requested by the CSO or through the established trouble call process to facilitate work by the Navy or others. Requests for marking and response will be handled through the trouble call procedure described in paragraph 6.7, above. In addition, the Caretaker will locate and clearly mark all electric, natural gas, water, sewer, telephone and steam utilities in any area in which the Caretaker proposes performing an excavation (see Excavation Management, paragraph 6.4.3).

6.11. Maintenance of Government Furnished Vehicles

Technical Exhibit 6-1 provides a list of trucks and other wheeled equipment furnished by the Navy for use by the Caretaker in executing the requirements of the Cooperative Agreement. The Caretaker will have full responsibility for operation and maintenance of this equipment in accordance with all applicable local, State and Federal laws and regulations. Use of this equipment by the Caretaker will generally be restricted to work on TI and YBI. The Caretaker may operate the equipment at other locations only to facilitate fueling, maintenance and repair or to execute work which directly supports utilities operations and maintenance on the islands. Vehicles may not be used for work by the Caretaker which is unrelated to requirements at TI and YBI and may not be used by Caretaker employees for personal business or means of traveling from home to work.

6.12. Environmental Permit Management

For the term of the Cooperative Agreement, the Navy will remain permit holder for air quality and water quality permits associated with utility systems at TI/YBI. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by the permits listed by Technical Exhibit 6-2. The Caretaker will perform monitoring and reporting required by the Storm Water General Discharge Permit and the Treasure Island Storm Water Pollution Prevention Plan beginning in July 1999. The Caretaker will develop and submit for approval a Storm Water Pollution Prevention Plan to the Navy by 15 June 1999. The Caretaker will pay the permit fees for maintenance of all environmental permits. The Navy will also take any necessary administrative action to amend or extend permits which may be required during the term of the Cooperative Agreement.

6.13. Plan for Future Conveyance

The Caretaker and the Navy shall jointly develop an executable plan to convey the utilities system from the Navy directly to the future owner. The plan shall target conveyance by no later than September 1999. This "Utilities System Conveyance Plan" shall be developed by 31 December 1998. The Navy shall also request that the City of San Francisco participate in the development of this plan. The plan shall be of sufficient detail, and have interim milestones, to allow the Navy and the Caretaker to effectively monitor progress.

6.14. Government-Furnished Property/Equipment

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the President's message to the Congress at the beginning of his first term.

2. The second part of the document is a report from the Secretary of the Treasury, dated January 1, 1861. It contains information about the state of the Treasury and the country's finances.

3. The third part of the document is a report from the Secretary of the Interior, dated January 1, 1861. It contains information about the state of the Interior and the country's resources.

4. The fourth part of the document is a report from the Secretary of the War, dated January 1, 1861. It contains information about the state of the War and the country's military.

5. The fifth part of the document is a report from the Secretary of the Navy, dated January 1, 1861. It contains information about the state of the Navy and the country's naval forces.

6. The sixth part of the document is a report from the Secretary of the State, dated January 1, 1861. It contains information about the state of the State and the country's foreign relations.

7. The seventh part of the document is a report from the Secretary of the Agriculture, dated January 1, 1861. It contains information about the state of the Agriculture and the country's food supply.

8. The eighth part of the document is a report from the Secretary of the Commerce, dated January 1, 1861. It contains information about the state of the Commerce and the country's trade.

9. The ninth part of the document is a report from the Secretary of the Education, dated January 1, 1861. It contains information about the state of the Education and the country's schools.

10. The tenth part of the document is a report from the Secretary of the Public Works, dated January 1, 1861. It contains information about the state of the Public Works and the country's infrastructure.

6.14.1. Technical Exhibit 6-1 is a list of government-furnished property and/or equipment (GFP/GFE) that the Navy will provide to the Caretaker for performing this function.

6.14.2. Technical Exhibit 6-2 is a list of required environmental permits for which the Caretaker will perform monitoring and reporting.

6.14.3. Technical Exhibit 6-3 is a list of government-furnished property (GFE) that the Navy shall provide to the Caretaker for performing this function.

6.14.4. The Caretaker shall manage and update changes to GFP/GFE Technical Exhibits, and submit updated copies, as modifications to the Personal Property Management TEP, to the Navy for review.



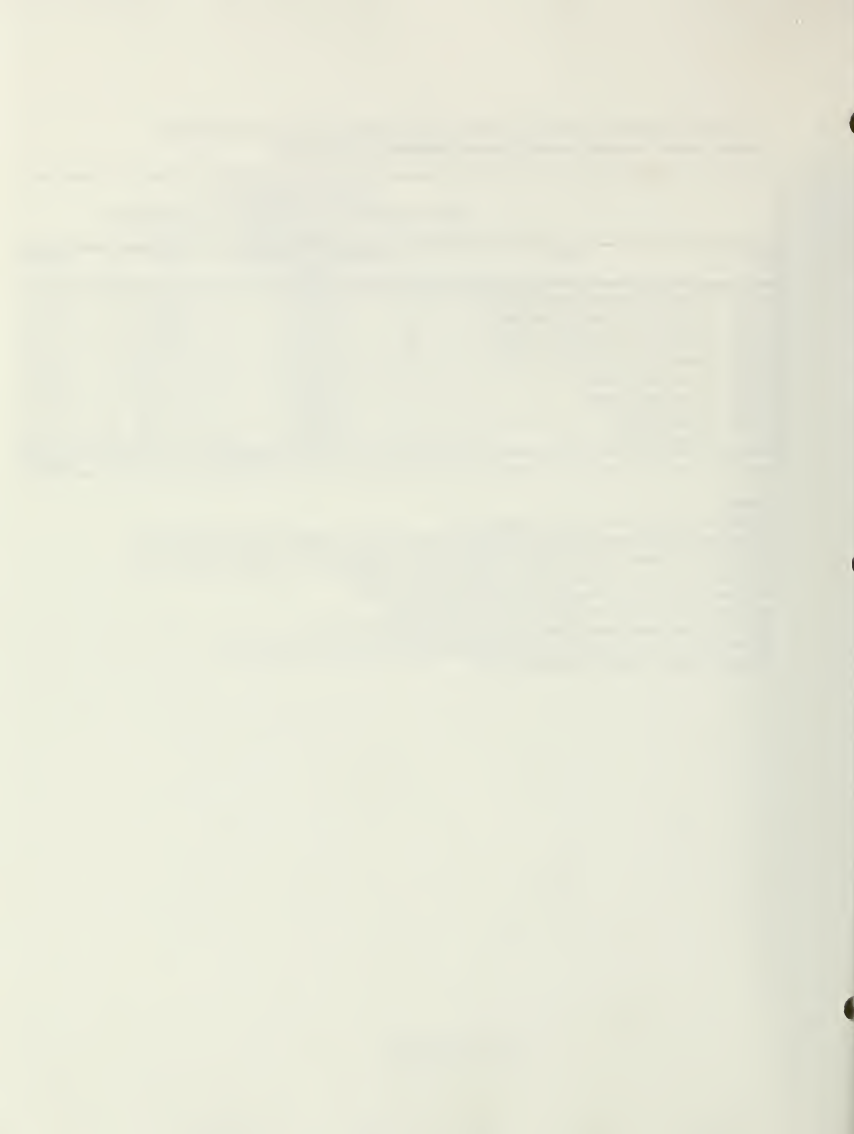
The following table shows estimated FY99 utilities usage for which the Navy agrees to reimburse the Caretaker at agreed upon rates. Monthly figures are prorations of annual estimates.

Annex 6, Figure 6.1
Navy Liability for Utilities Consumption
September 98

notes	Use	consumption chargeable monthly	Rate	monthly
[1]	electricity for street lights (303 lights)	64 MWH	\$142.75	\$ 9.13
[2]	electrical distribution system losses	80 MWH	\$142.75	\$11.42
[3]	electricity for CSO (B's 1, 260 570)	38 MWH	\$142.75	\$ 5.42
[4]	natural gas for CSO (B's 1, 570)	197 MBTU	\$ 6.00	\$ 1.18
[5]	water for irrigation	1,955 KGAL	\$ 5.40	\$10.55
[6]	water system losses	750 KGAL	\$ 5.40	\$ 4.05
[7]	water for CSO	28 KGAL	\$ 5.40	\$ 15
	sewer for CSO	28 KGAL	\$ 5.75	\$ 16
Totals				\$42.08

Notes:

- [1] 350 street lights @ 500w / light, 12 hours per day
- [2] 50% of total system distribution losses estimated at 10% assuming 2.2 MW average load during FY99
- [3] B's 1 & 570 = 10w / sq ft x 9,000 sq ft, 12 hrs per day, 22 days per month = 24 MWH / month. B270 = 2 w / sq ft x 78,000 sq ft 8 hrs per day, 11 days per month = 14 MWH
- [4] 30 btu's / sq ft / hr x 9,000 sq ft, 24 hrs per day 365 days per year
- [5] 1.5 in / sq ft on an average of 48 acres for 32 weeks per year
- [6] 50% of total system losses estimated at 20% of 90,000 KGAL annual use
- [7] 64 GPD / person, 22 days per month assuming average staff including contractors of 20.
- [8] equal to domestic water consumption by CSO



APPENDIX A - CONSOLIDATED COST ESTIMATE

12/1/98-9/30/99

<u>ANNEX</u>	<u>FUNCTION</u>	<u>BUDGET AMOUNT</u>
1	Public Safety (Police, Security, and Fire)	\$1,250,000.00
2	Telephone Cable Maintenance	\$ 41,667.00
3	Grounds Maintenance	\$ 416,667.00
4	Building&Street Maintenance	\$1,000,000.00
5	CA and Personal Property Management	\$ 208,333.00
6	Utility Services & Maintenance	<u>\$ 416,666.00</u>
	TOTAL	\$3,333,333.00





Notes



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Notes

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Approved

11/18/98

Treasure Island Development Authority
Minutes of October 21, 1998 Regular Meeting

DOCUMENTS DEPT

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1. Call to Order: 1:15 p.m. in the Meeting Room,
Suite 3100, Port of San Francisco, Ferry Building

Mr. Elberling announced that Dale Carlson had resigned from the Authority and that he, as Vice Chairman, would be acting a Chair of the Authority.

2. Roll Call: Present: John Elberling, Vice Chair
Anne Halsted
Gerald Green (1:50)
James Morales
Donna Provenzano
Doug Wong (left 1:30 and ret. 3:30)

3. Approval of Minutes:

The minutes of September 16, 1998 were unanimously approved.

4. Communications

The Commission Secretary noted that five letters had been received in support of wetlands on Treasure Island and that an additional letter had been distributed to Commissioners from SPUR relating to Item 10.

Mr. Elberling stated that unless other members of the Authority objected, Item 7 (the Executive Director's report) would be considered next.

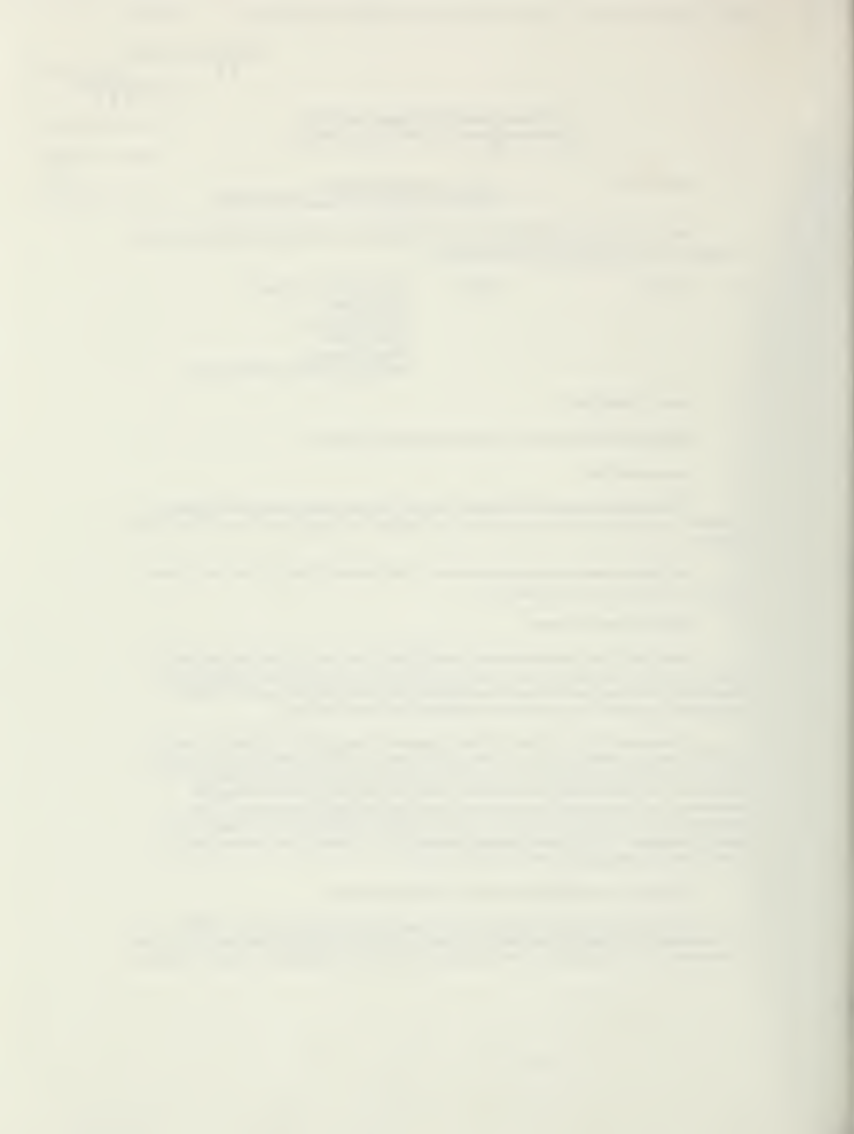
7. Executive Director's Report

Access: Ms. Conroy reported that many weddings had been held on TI and that thousands of people had visited TI during Fleet Week. From 1200 to 2000 cars were parked on TI each of the two weekend days. Other organized events were also held on the Island during the weekend. Staff had volunteered their time to help out as they do on all other open access weekends.

Environmental clean-up: Martha Walters reported that during August and September the Navy had been conducting testing on Site 12 and that she had been reviewing test results on the housing site. On October 28th she will review the results with other agencies and report back to the Authority. In addition, she has been reviewing with Geomatrix, consultants, the Navy's other environmental documents. Ms. Walters distributed copies of an initial feasibility study of wetlands for TI and announced that the Authority will be issuing an RFQ to select a consultant who will perform a more detailed assessment. Mr. Elberling requested that the RFQ for a more detailed study include the identification of funding for the development of wetlands.

Ms. Conroy reported that there were no new short-term leases.

Ms. Conroy reported that the deadline for submission to Caltrans and the federal Highway Administration of comments for the draft EIS for the new East Span of the Bay Bridge has been extended to November 23rd. To date, the Authority has funded two studies documenting the economic damage to



Yerba Buena Island by the northern alignment and the advantages of the southern alignment. Ms. Conroy stated that there will be a city-wide coordination of responses and that, in the meantime, the Project Office will develop a report which will be presented to the Authority at its next meeting. Ms. Conroy added that MTC Commissioners had visited the islands and that more visits are scheduled.

Master developer RFP, EDC consultant and budget: Ms. Conroy reported that one last change was being made to the master developer RFQ and that it would be brought to the Authority at the November meeting.

Finance Manager Eila Arbuckle reported that the evaluations of respondents to the RFP for Economic and Fiscal analysis were underway and a recommendation would be made to the Authority at the December meeting. She distributed a summary of the revenues and expenses for the first quarter of FY 1999 (July 1 1998 through September 30 1998) and noted that revenues were about 9% below projections and expenses were about 9% above projections. She attributed these budget variances to the loss of one half month's rental income from Building 3 and overly optimistic projections of when the housing revenues would accrue to the Project. Mr. Elberling requested that a balance sheet be prepared for the Authority's information.

TIHDI: Ms. Conroy reported that she had had several meetings with TIHDI and with John Stewart with respect to an agreement on the location and phasing of the rehabilitation of housing units.

Mr. Elberling asked about the existence of an access policy. Ms. Conroy responded that the Project Office is concluding the final review of the formulation of an access policy to respond to Supervisor Yaki's legislation. The report will contain a compilation of persons and groups visiting TI as well as the procedures entailed in planning a visit. Ms. Conroy added that with new residents living in rehabilitated housing, the access issue will disappear because fewer areas will be off-limits.

No hearing has been scheduled for Supervisor Yaki's legislation regarding the addition of members to the TIDA board. Ms. Conroy announced that the response to the 1998 Civil Grand Jury had been submitted by the deadline.

Other items: Ms. Conroy invited all Authority members to the Mayor's State of the City address on Monday, October 26, 1998. She added that she will meet with Navy Secretary Cassidy to discuss Site 12 clean up and other conversion issues. Ms. Conroy announced that MTC's Ferry Plan, in the process of revision, contains \$2.5 million in improvements (floats, etc.) to Pier 1 and that she spoke at the invitation of Ron Cowan, chair, at a meeting of the Bay Area Water Transit Task Force. Mr. Elberling inquired about the uses of the funds and the formulation of a capital improvement plan for ferry service.

5. Old Business

Mr. Elberling stated that he had had a transition meeting with former chair Dale Carlson and had list of six or seven items which needed updating. He asked about the existence of a security plan and Ms. Conroy responded that the security plan is part of the Cooperative Agreement. The particular section is not complete for today's meeting. Mr. Elberling requested that the plan be presented and Ms. Conroy responded that she would invite Captain Cairns to the next meeting.

Mr. Elberling inquired about the status of personal property to be transferred from the Navy to the City and Bob Mahoney, Facilities Manager, responded that that was also an item contained in the Cooperative Agreement (CA). He stated that a single data base was being set up and when base conversion was complete the items would be conveyed to the Authority and then on to City departments. Mr. Mahoney stated that current personal property consisted of 10 to 12 year old trucks and office

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
540 SOUTH EAST ASIAN AVENUE
CHICAGO, ILLINOIS 60607-7070

RECEIVED: 10/10/91
10/10/91

TO: DR. J. K. STILLE
FROM: DR. J. K. STILLE
SUBJECT: 10/10/91
10/10/91

RE: 10/10/91
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furniture which, although once quite valuable, is now estimated to be worth \$1 to \$100,000. Currently property is under the control of City departments but belongs to the Navy. Although some vehicles are kept off-island, they are done so in support of the island, where no gasoline is available. Mr. Elberling requested that the Authority be furnished a list of personal property when one is assembled.

Seismic risk evaluation: Mr. Cohen responded that although the Authority had received a report on interim measures, there was no required follow-up.

Mr. Elberling asked about efforts to coordinate and negotiate with the Job Corps and Ms. Conroy that she had been talking with the Job Corps about design issues and added that more coordination is necessary especially with regard to perimeter fencing and other design issues.

Mr. Elberling asked about the status of an RFP for operation of Casa de la Vista and Ms. Conroy responded that the subject will be addressed at the November meeting at the same time as the master developer RFP. She noted that if Casa, in addition to the Marina, the Job Corps and other sites, were excluded from the area to be developed in the RFQ that very little developable area would remain.

Mr. Elberling asked about the prospective leasing of Building 1 on an interim basis. Ms. Conroy responded that several issues related to the building are addressed in the Cooperative Agreement with the Navy. The Project Office received estimates of \$2.1 million to seismically retrofit the building and that funding sources are being sought, including the Airport which has committed to reopen the Museum. Other expenses to lease the building include ADA compliance and the regulations of the State Office of Historic Preservation. The matter will also be addressed as part of the Master Developer RFQ.

Mr. Elberling asked about the status of the parking lot lease with Goodwill and Ms. Conroy responded that she would be meeting with them the following day. Mr. Elberling inquired about the status of a report on the operation of the bus and ferry system to TI over Labor Day weekend and Ms. Conroy responded that at the Authority's next meeting an extensive report on the Labor Day event would be furnished.

6. New Business

Mr. Elberling announced that TIHDI had held a very successful fundraiser on October 20th.

13. Public Comment

Ruth Gravanis- Ms. Gravanis complimented the Commission Secretary on the thoroughness of minutes for September 16th meeting, inquired when draft RFQ for the wetlands study would be available and mentioned passage of a Board of Supervisors resolution urging the Authority to develop a plan for public transit and a parking plan. Ms. Gravanis also inquired about Muni's schedule on weekends and noted that Supervisor Yaki's proposed legislation seeks the appointment of members of the CAC by the Board of Supervisors.

8. Resolution approving MOU with San Francisco Police Department for gymnasium (*Action item*)

Ms. Conroy stated that the San Francisco Police Department, as part of the move of the Police Academy from Diamond Heights to Treasure Island, has appropriated from \$150,000 to \$170,000 to seismically upgrade, remove friable asbestos and make ADA accessible, the gymnasium on Treasure

Island. Ms. Conroy stated that the cost of utilities and CAM charges, costly to the Authority, would be paid by the Police Department. She added that the gymnasium adds another public venue on TI. The theatre in Ashton Hall, also part of the project, is also appropriate for public meetings. The Police Department has agreed to permit the use of the gymnasium and theatre for special events on the weekends. The lease would be a five- year term. Mr. Morales asked about public use of the facility as the island becomes more populated. Mr. Green asked about the Authority's lease with the Navy for this property and was informed that the lease with the Navy was addressed in agenda item number 11.

Moved by Green, seconded by Halsted to adopt item 8, passed 5-0.

11. Resolution approving lease with Navy for Police Academy, Sheriff's Center (*Action item*)

Since the Authority could permit the Police Department's occupancy of the gymnasium only by leasing the property from the Navy, Item 11 was considered directly after Item 8 above. Ms. Conroy stated that buildings with the geographic area of the lease includes the jail, Delancey Street's Youth Center, administrative offices and the gymnasium. Mr. Green pointed out that the area and facilities addressed in the lease (Item #11) are larger than that considered in Item 8. Mr. Cohen noted that the Authority must approve subleases with the Police or Fire Departments before either is permitted to occupy the premises. Mr. Elberling asked about the Authority's financial obligations to the Navy under the lease and Ms. Conroy responded that CAM charges payable to the Navy are not due until the premises are actually occupied. In addition, Mr. Cohen stated that the Authority has specific maintenance and repair responsibilities. Mr. Elberling asked about hazardous materials and Facilities Manager Bob Mahoney replied that only non-friable asbestos had been found and that the Authority is not responsible for the remediation of hazardous materials. Mr. Green asked if other elements need clean-up and Mr. Cohen responded that as a general rule, the Authority is not responsible for existing conditions and that in each of the Authority's subleases, each sublessee is responsible for remediation.

Mr. Morales asked about broader obligations such as fire protection and suggested that perhaps the Authority should make explicit the level of service today and the Navy's expectations. He asked if the Navy recognizes and accepts the level of services. Facilities Manager Bob Mahoney stated that the Cooperative Agreement with the Navy contains a technical execution plan for each different function which the City provides. Deputy City Attorney Michael Cohen suggested that the Authority could ask for a letter from the Navy acknowledging that present service levels are adequate. Mr. Kenn Parsons, the Navy's Base Conversion Manager, stated that if levels were not adequate the Navy would not have signed the Cooperative Agreement (Item 12). He added that City standards for service are higher than the Navy's.

Commission members and staff also discussed how lessees acknowledged existing service levels. Mr. Morales stated that leases should cross-reference the Cooperative Agreement and specific technical execution plans for each function. It was also decided that in its cover letter to the Navy, the Authority should specify that by its signature the Navy accepts existing service levels.

Moved by Green, seconded by Halsted to adopt item 11, passed 5-0.

9. Resolution amending sublease with Delancey Street (*Action item*)

Mr. Cohen highlighted the amendments to the Delancey Street sublease which was approved by the Authority on September 16, 1998. He stated that the amendments facilitated THDI's, Delancey Street's and the Authority's concerns and provide that the Delancey Street sublease shall be subordinate

Motion by Mr. Green to continue the item, seconded by Ms. Halsted, approved 5-0.

12. Resolution approving Cooperative Agreement with U.S. Navy for 1998-1999 (*Action item*)

Ms. Conroy stated that the Project Office had completed negotiations with the Navy for another \$4 million grant, the same amount as last year. This final grant, however, ends in October, 1999. Ms. Arbuckle stated that the purpose of the Agreement is for the Navy to fund basic services for the islands that are delivered through City departments. The annexes have been consolidated into six functions or basic services. Ms. Arbuckle compared this year's allocations with the previous agreement. This year more funds have been allocated to personal property maintenance and to obtain more support staff and more funds for telephone cable maintenance. When properties are leased, maintenance become the responsibility of the lessee.

Eve Bach inquired about storm water issues and stated that the city was responsible for activities that it has no control over. Mr. Cohen responded that those concerns had been examined by the City Attorney.

Motion to approve by Mr. Green, Seconded by Mr. Morales, approved 5-0

14. Closed session

(a) The Authority met in closed session to evaluate the Treasure Island Project Office staff's performance of its duties under the Agency Agreement by and between the City's Treasure Island Project Office and the Treasure Island Development Authority.

Discussion and vote on whether to disclose action taken or discussions held in Closed Session.

Motion that the Treasure Island Development Authority elects at this time not to disclose its closed session deliberations. Passed unanimously.

(b) The Authority met in closed session to discuss property negotiations regarding 660 units of housing on Treasure and Yerba Buena islands

Discussion and vote on whether to disclose action taken or discussions held in Closed Session.

Motion that the Treasure Island Development Authority elects at this time not to disclose its closed session deliberations. Passed unanimously.

15. Adjourned

The meeting adjourned at 5:00 p.m.

to the TIHDI agreement. In the event that there was a conflict between TIHDI and Delancey Street, that TIHDI would prevail. Mr. Cohen stated that he had reviewed the HUD agreement and found no inconsistencies between the Delancey Street sublease and the agreement with respect to TIHDI.

Sherry Williams, TIHDI, thanked the Authority, Ms. Conroy and Mr. Cohen for incorporating TIHDI's concerns and stated that she looked forward to working with Delancey Street.

Moved by Ms. Provenzano, seconded by Green to adopt item 9, passed 5-0

10. Resolution approving method of selection, procedures and notice for formation of Citizens Advisory Committee (*Action item*)

Ms. Conroy stated that material had been distributed detailing the selection process for members and the responsibilities of the CAC and procedures for its operation. Mr. Green acknowledged receipt of two letters, one from SPUR and another group commenting on the make up the CAC. Mr. Elberling asked for public comment.

Redmond Kernan advocated defining the categories more broadly.

Ruth Gravanis commented on the application, noting inconsistencies regarding the designations of TIDA staff. She also noted several areas of expertise were missing, including knowledge of nature, ecology, and biodiversity. She urged a special seat for wetlands, expertise in public trust, sustainable development, and social justice. She stated that the responsibilities of staff in relation to the CAC had been omitted, commented on the election of officers and stated that staff should provide logistical support. Ms. Gravanis suggested that TIDA should proceed with recruitment and delineation of appointment procedures and delay actual appointment until the Board of Supervisors decides whether it should appoint some members.

Eve Bach, Arc Ecology, complimented staff on the circulation of the document. She supported Ms. Gravanis' comments and stated that the broadest range of opinions would be the most useful in building citywide consensus. She stated that she disagreed with SPUR's proposal.

Mr. Morales stated that the categories should be inclusive. He added that the Authority should inform the Board of Supervisors about the formation of the Citizens Advisory Committee. Ms. Halsted agreed that the categories needed reworking since those areas of expertise change over time. Mr. Green agreed that the scope of the categories was too narrow but also agreed that a land planner and architect were desirable. Ms. Conroy stated that the first 15 categories were the product of a February 25, 1998 resolution. Ms. Halsted suggested that the Authority make the categories desirable skill sets that the Authority is seeking. Mr. Green stated that the categories should be considered areas of interest or expertise and that the categories should be expanded without increasing the number of members. Mr. Elberling suggested that the Authority be inclusive and that the list of categories include essence of Ms. Gravanis' letter and SPUR's letter as well as recreational users. There was agreement that the scope of categories should be increased and that the Project Office should go forward in designating the list of categories as desired areas of interest and expertise. Ms. Halsted stated that natural science and biodiversity should be added. Mr. Elberling urged the Authority to vote on the item at the meeting and not wait for Board action. Ms. Conroy stated that staff could rework and start circulating materials indicating that recruitment has started. At the next Authority meeting, the resolution would be revised to reflect enlarging the categories. Mr. Green agreed that in the absence of a hearing date before the Board of Supervisor, we should go forward in letting the public know of initiation of the CAC but to continue the item to revise the resolution. Mr. Green suggested that the Authority send a letter to Supervisor Yaki Board seeking qualified applicants and asking for more additional categories.

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